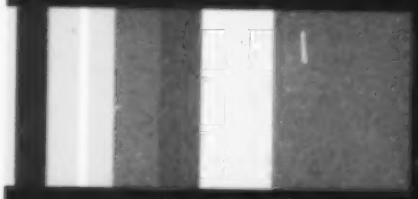
Expenditure Budget
2006 - 2007

Volume IV



Message from the Chair
of the Conseil du trésor
and Additional Information

Québec

2006-2007

Expenditure Budget

Volume IV

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and Additional Information

Conseil du trésor
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ISSN 0706-0319
ISBN 2-550-46558-X
Legal Deposit, 1st quarter 2006
Bibliothèque nationale du Québec

2007-01681/

FOREWORD

The Public Administration Act (R.S.Q., c. A-6.01) requires the Chair of the Conseil du trésor to table in the National Assembly the Expenditure Budget for all departments and agencies. This sets out the appropriations required over the course of the coming fiscal year, as well as the annual expenditure management plans developed by each of the ministers.

The Chair of the Conseil du trésor presents the 2006-2007 Expenditure Budget information to the National Assembly in four volumes:

— Volume I, *Estimates and Annual Expenditure Management Plans of the National Assembly and Persons Appointed by the National Assembly*, contains information on the National Assembly and persons such as the Public Protector, the Auditor General, the Chief Electoral Officer and the Lobbyists Commissioner who are designated by the National Assembly.

— Volume II, *Estimates of the Departments and Agencies*, contains estimates of all government appropriations for the 2006-2007 fiscal year. It distinguishes between the Expenditure Budget and the Capital Budget. Appropriations are broken down by portfolio and by program.

— Volume III, *Annual Expenditure Management Plans of the Departments and Agencies*, contains the yearly spending management plans developed by each of the ministers.

— Volume IV, *Message from the Chair of the Conseil du trésor and Additional Information*, begins with a message from the Chair and provides additional Expenditure Budget information.

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MESSAGE FROM THE CHAIR OF THE CONSEIL DU TRÉSOR

MESSAGE FROM THE CHAIR OF THE CONSEIL DU TRÉSOR

PROGRESS ON THE PATH TO SOUND, RESPONSIBLE MANAGEMENT

Our government promised rigorous, disciplined management of public finances and the 2006-2007 Expenditure Budget once again keeps that promise. In the past few years, we have acted with prudence and resolve, without deviating from our course. These efforts have enabled us to regain control over public spending while improving services. Thus we have:

- *Turned the situation around in health and social services;*
- *Made huge investments in education;*
- *Begun modernizing the State and reducing its staff level; and*
- *Reinvested in infrastructures so as to create a legacy that future generations may fully enjoy.*

In every area of government involvement, we have endeavoured to center government priorities on the essential needs of Québec society. This expenditure budget adheres to the budgetary discipline that is characteristic of our government and has produced these results. Hence for the fourth consecutive year, we are investing massively in health and education, yet without cutting back on public services and programs.

Our government is also staying the course on maintaining and upgrading public infrastructures. We are sticking to the asset maintenance rate announced last year. We are also adding new investments in public transportation, particularly to build the Mascouche-Montréal commuter train line and to replace the oldest Métro cars. We are continuing to invest in improving the quality of our transportation infrastructures, as well as in health, education, culture and research sectors.

This year we are embarking on a new set of measures to step up the transformation and modernization of the State, notably by introducing a rigorous framework for managing major projects based on a public-private partnership (PPP) approach with prior preparation of a business case to ensure that real cost is known before any work begins, thereby avoiding cost overruns such as those with the Laval Métro and the Gaspésia plant. This management approach is based on a comprehensive planning process as well as best practices.

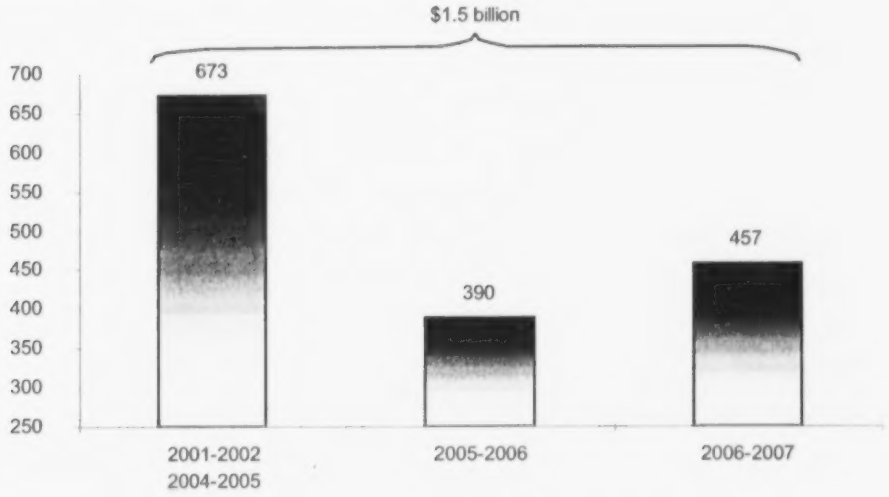
The delivery of public services will be improved in 2006 by the deployment of Services Québec and ongoing implementation of e-Government. Finally, we are continuing to shrink government by attaining the demanding objective we had set for 2005-2006, i.e. a reduction of 1,110 staff positions, basically by only replacing one out of every two retirees. For 2006-2007, we anticipate a further reduction of 1,211 positions, bringing the total cutback in the government staff level to 3,721 since the plan was announced in 2004.

1. $1.5 BILLION FOR PAY EQUITY

As every successive Québec government over the past 40 years has found out, negotiations with the public and parapublic sector are always arduous. The stakes are high and the amounts involved, enormous. The latest round of negotiations was no different. Ultimately, we had to act responsibly by putting Québec's interests and taxpayers' capacity to pay first. We will continue to do that this year by settling, I hope, the issue of pay equity for which large amounts have been set aside since 2004-2005 based on the proposals we made to the various pay equity committees involved. On an annual basis, these proposals represent a yearly adjustment of over $450 million, or the equivalent of 2% of the government's total payroll.

In all, $1.5 billion has been set aside pending settlement of the pay equity issue. The $673 million from fiscal years 2001-2002 to 2004-2005 was included in the 2004-2005 results. Moreover, a $390-million provision was allocated in 2005-2006 and an additional $457-million provision is itemized as a 2006-2007 expenditure. These substantial amounts are in addition to the 2% pay-scale indexation effective April 1, 2006, which also represents an annual expenditure of $450 million. It is worth noting that nearly 95% of these pay increases and the funds earmarked for pay equity will go to the health and social services and education sectors.

$1.5 billion Set Aside for a Pay Equity Settlement
(in millions of dollars)



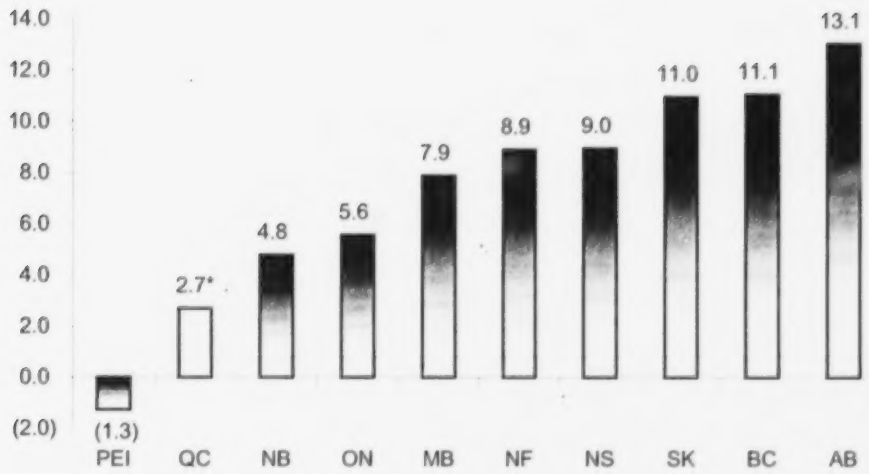
Note: Amounts based on the proposals tabled by the Gouvernement du Québec with pay equity committees, which, on an annual basis, represent 2% of the government's total payroll. Under the provisions of the Pay Equity Act, the government can gradually adjust pay scales over a four-year period. This results in a total of $673 million for the period ranging from 2001-2002 to 2004-2005.

2. RIGOROUS BUDGETARY DISCIPLINE THAT PRODUCES RESULTS

❑ *2.7% growth in program spending in 2005-2006*

Program spending in 2005-2006 amounts to $48,940 million, or 2.7% more than in 2004-2005. This year Québec is again doing better than the rest of Canada in controlling its budget. In fact, only in Prince Edward Island is program spending growth slower than in Québec.

Québec Doing Better than the Rest of Canada
(2005-2006 growth of program spending as a percentage)



* *Excluding the $673-million allocation for pay equity in 2004-2005 and $390 million in 2005-2006, program spending is growing at the rate of 3.3 %.*

❑ *3.9% growth in 2006-2007*

The government will adhere to a tight budget in 2006-2007. Program spending will increase by $1,933 million, or 3.9%, to a total of $50,873 million[1].

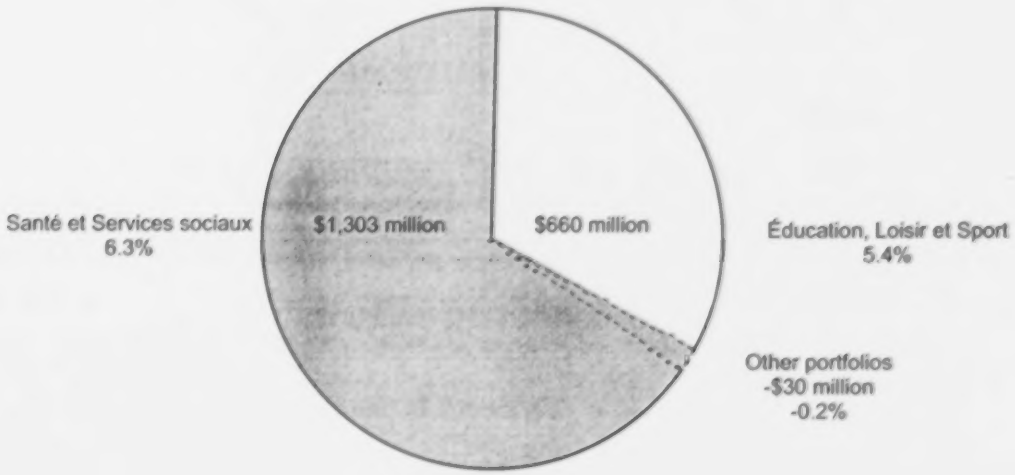
[1] Excluding $390 million set aside for pay equity in 2005-2006 and $457 million in 2006-2007, program spending is growing by 3.8% in 2006-2007.

Top priorities: Health and Education

In 2006-2007, 67% of the growth in program spending, or $1,303 million, is budgeted for health and social services, whose budget will rise by 6.3% in 2006-2007. The Ministère de l'Éducation, du Loisir et du Sport will also have a substantial increase of $660 million, or 5.4%. The budgets for the other portfolios will remain relatively stable, declining by a modest 0.2%.

Top Priorities: Health and Education
(2006-2007 growth in program spending in millions of dollars)

Total growth: $1,933 million



❑ *Santé et Services sociaux: $4.2 billion in additional funds over four years*

True to our word, our government has injected $4.2 billion more into the budget for health and social services since we took office, mainly to shorten waiting times, eliminate overcrowded emergency rooms, and introduce new services.

The size of this reinvestment reflects the extent to which health and social services sector has been a key component of the government action in the past three years. This unprecedented effort is producing significant positive results both in terms of the number of services provided and access to them. This year we are going even farther by guaranteeing patients swift access to elective surgery within minimal timeframes as my colleague the Minister of Health and Social Services recently announced.

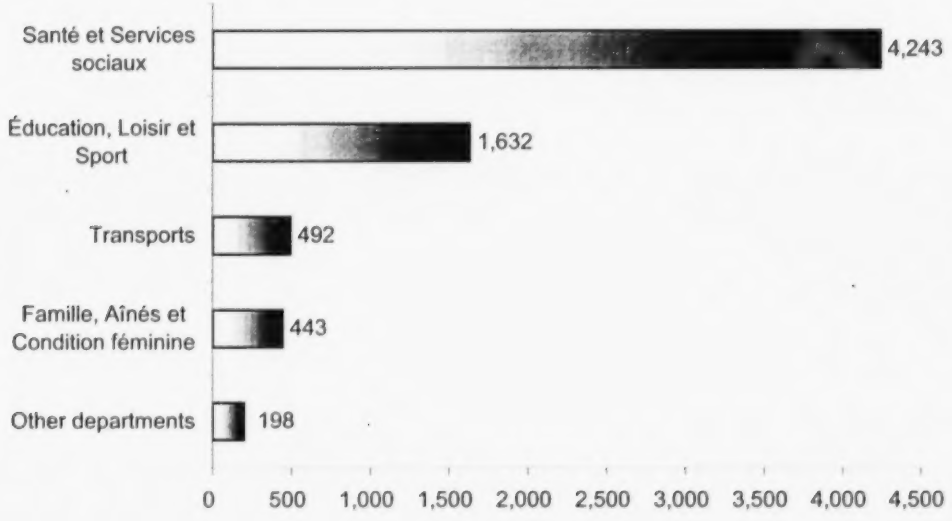
The budget allocated for the Ministère de la Santé et des Services sociaux in 2006-2007 will also enable the Department to continue work it has begun in the past few years, including implementation of its action plans for seniors facing loss of autonomy and for mental health.

- ***Éducation, Loisir et Sport: An additional $1.6 billion over four years***

Since taking office, we have made academic success a priority. For this, we have added $1.6 billion to the budget of the Ministère de l'Éducation, du Loisir et du Sport between 2003-2004 and 2006-2007. That's more money in four years, than the total growth in the budget for education in the nine years preceding our election.

The 5.4% budget increase in 2006-2007 will enable the Department to undertake major new initiatives, which include adding an hour and a half a week of English and Physical Education classes at the primary, as well as specialized primary and secondary school staff for disabled children and those with learning or adjustment difficulties.

$4.2 billion more for Health since 2002-2003
(Growth in program spending since 2002-2003 in millions of dollars)



- ***Other departmental budgets remain essentially the same in 2006-2007***

The expenditure budget for the other portfolios remains relatively stable in 2006-2007, shrinking slightly by 0.2 % overall. Yet some departments will have a substantially larger budget:

— *The budget of the Ministère de la Culture et des Communications is 8.5% higher, mainly to finance La Grande Bibliothèque and assist museums in financial difficulty;*

— *The Ministère des Transports is receiving an 8.0% increase as part of the considerable investment in Québec roads that began three years ago;*

— *The budget for the Ministère de la Famille, des Aînés et de la Condition féminine is increased by 6.8%, contributing to fund 200,000 reduced-contribution childcare places and salary upgrades for daycare workers;*

— *An additional 4.8% is allocated for Affaires municipales et des Régions, including $29 million to renew the fiscal pact with municipalities with full indexation;*

— *The Immigration et des Communautés culturelles budget is 5.7% higher due to a $5.7-million allocation for the accreditation of foreign diplomas, as well as francization and integration of immigrants;*

— *The budget of the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation rises by 2.6%, primarily due to an increase in property-tax refunds to farmers.*

Other departments

The budgets of the other departments have been drawn up with a view to maintaining public services. To achieve this, rationalization has essentially been applied to operating expenses through the use of measures such as reducing the government staff level by attrition and adopting a new management framework for informational resources.

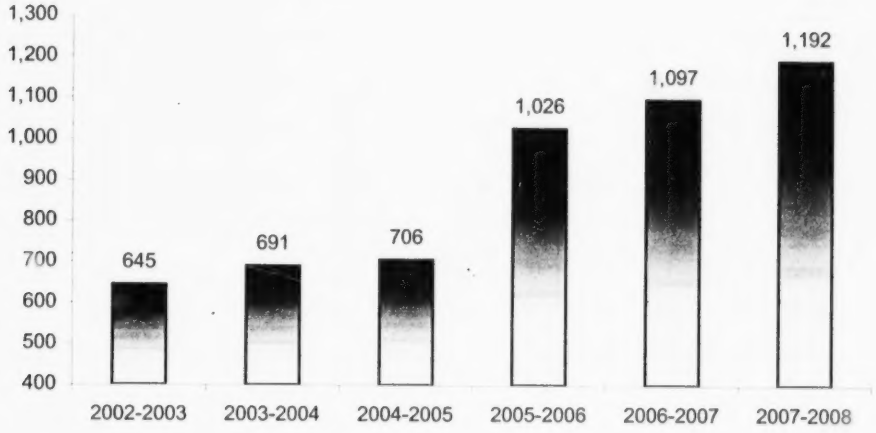
3. CONTINUE UPGRADING PUBLIC INFRASTRUCTURES

Upgrading public infrastructures ranks among the major reforms introduced by our government. In the past three years we have made unprecedented investments in the construction of new facilities and restoration of public infrastructures, primarily in the areas of health and social services, education, transportation, municipal affairs, culture, and research.

In this regard, in tabling the 2005-2006 Expenditure Budget, I announced a new policy designed to ensure the maintenance of government assets. It aims to bring infrastructure preservation in line with generally accepted standards in North America. Thus hospitals and educational institutions will have an annual envelope equivalent to 2.0% of the value of their property to keep it in good condition. The health sector is receiving an additional 1.0% for functional renovations.

I am proud today to confirm the continuation of this policy. For the first time in Québec, a government is giving asset maintenance a higher priority. In total, investment in asset maintenance will rise from $706 million in 2004-2005 to almost $1.2 billion in 2007-2008. In comparison to the period preceding our arrival in government, the budget for asset maintenance in 2007-2008 will be close to double what it was in 2002-2003.

Continuation of the Asset-maintenance Policy
(Asset-maintenance budgets in millions of dollars)[1]

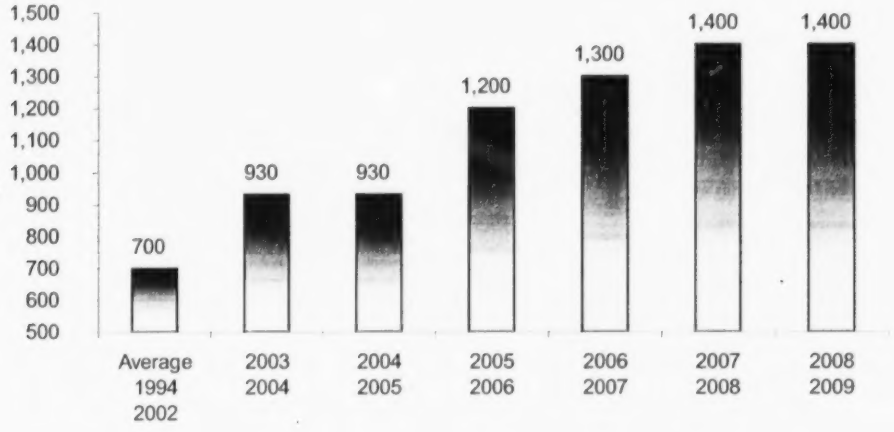


[1] *Excludes road network asset maintenance, which is included in the investment budget for roadwork. Road network asset maintenance is expected to amount to $571 million in 2006-2007.*

- ***Confirmation of the roadwork budget on a triennial basis***

In the case of road infrastructures, as promised, our government will this year invest $1.3 billion, or $100 million more than last year. Investment envelopes of $1.4 billion in 2007-2008 and 2008-2009 are also confirmed. Confirmation of the budget for roadwork on a triennial basis will henceforth enable the Ministère des Transports to do better public works planning with the industry.

Growth in Road System Investment
(in millions of dollars)



❑ ***Public transportation: New investments totalling $1.5 billion***

Public transportation infrastructures are vital for urban economic development and the attainment of our greenhouse-gas emission reduction goals. We are therefore allocating close to $1.5 billion spread over the next few years to restore the Montréal Métro, replace the oldest cars commissioned in the 1960s, and improving commuter train service primarily by building a new link between Mascouche - Montréal.

❑ ***New infrastructures for health and social services***

In 2006-2007, $485 million will be invested in carrying out priority projects in health and social services establishments. The funds will go mainly towards hospital and long-term care facility construction and renovation projects, improvements to emergency rooms and the acquisition of new medical equipment, including radiation oncology and radiology apparatus.

Funds will also be allocated for homecare projects for seniors losing their autonomy and for the Health Infoway project, which involves computerizing the health system.

Considering the authorized appropriations of slightly more than $1.2 billion in 2004 and 2005 and the $430 million over three years earmarked for asset maintenance that was announced in the 2005-2006 Expenditure Budget, the investments in health and social services infrastructures approved over the past three years total more than $2 billion.

- ***Investments in educational infrastructures***

In the realm of educational facilities, new projects totalling $302 million will be undertaken in 2006 in addition to the $362 million for projects approved in 2004 and 2005. These new projects mainly involve converting secondary-school science laboratories within the context of the school reform, updating vocational and technical training programs, various repairs, and expanding universities, which includes construction of a First Nations Building at the Université du Québec en Abitibi-Témiscamingue.

- ***Culture and Communications: $58 million in investments***

New investments in culture will total $58 million in 2006-2007. These initiatives primarily involve the restoration and preservation of Québec's religious heritage, which is particularly valuable, as well as cultural facilities.

- ***Research***

An amount of $196 million will be invested in scientific research, mainly in projects funded by the Canada Foundation for Innovation.

4. PROGRESS IN MODERNIZING THE STATE

Modernizing the State is one of our government's priorities. In this regard, a 2005 independent study entitled "Citizens First" found that, among all 78 services rated, those provided by the Québec government generally earned the highest score, very often surpassing those obtained by federal and municipal administrations, as well as some private-sector services. The Québec government accounted for seven out of the ten services that received the highest ratings from Quebecers.

Adopting new ways of doing things is one approach that is favoured for improving the quality of public services. In this regard, the introduction of a new framework for managing major infrastructure projects, the launch of Services Québec, the ongoing work towards e-Government and reducing the size of government, will radically change how the government's work is organized and services are delivered to the public.

❑ *A new management framework for major public works*

In recent years, major public projects in Québec have all too often unfortunately ended with huge cost overruns. Construction of the Métro extension to Laval and the Gaspésia plant in Chandler are prime examples of this. Precisely to prevent the recurrence of such events, in 2006 we are introducing a new management framework for major projects based on prior preparation of a comprehensive business case. This approach, which is mandatory for undertaking public works on a PPP basis, demands more rigour and transparency than conventional planning, thereby making it possible to avoid cost overruns. That is why most Western countries and Canadian provinces now prefer this process to the conventional procedure for carrying out public infrastructure projects.

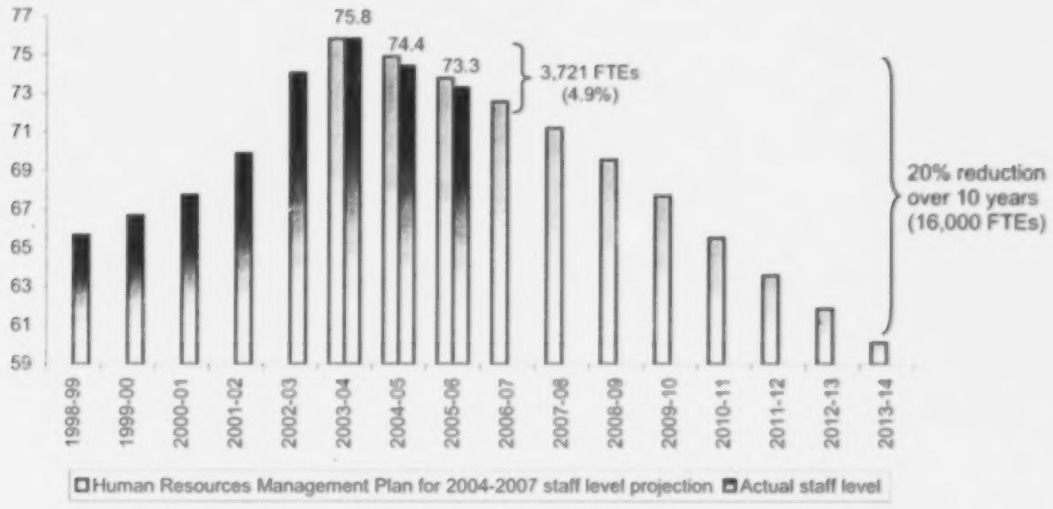
- ***Improving the delivery of public services***

Services Québec is a multiservice center that will make it easier for individuals and enterprises interested in obtaining government information or services. Various government services will gradually be incorporated into the new agency, and Services Québec will open its first offices in 2006. In the short term, priority will be given to introducing a single phone number for reaching the government, along with developing portals for e-Government service delivery.

- ***Reducing the size of government: target attained for the second year in a row***

For the second year in a row, we are attaining our goal of reducing the government staff level through attrition with a net reduction of 1,110 staff positions. In the fiscal year that begins this coming April 1, we will aim for a new reduction of 1,211 positions which, added to the decrease of 1,400 positions achieved in 2004-2005, amounts to a total reduction of 3,721 positions since May 2004, or almost 5% of the government total staff level. When this plan is fully implemented in 2013-2014, the government staff level will have been reduced by 16,000 positions, or 20% of its size.

Variation in the Québec Government's Staff Level
(in thousands of full-time equivalents)



Overall, so far these measures and the efforts made to reduce the government's operating costs have resulted in $500 million in cumulative savings which have been used to improve public services.

5. CONCLUSION

The 2006-2007 Expenditure Budget sustains the efforts initiated in previous budgets. It aims for sound, responsible management of public finances. Considerable energy has gone into curbing growth in public spending and keeping it in line with what taxpayers can afford to pay.

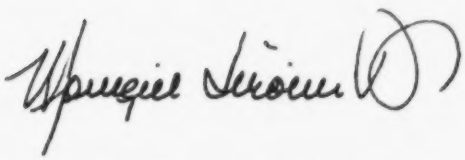
Yet this sound, responsible management has not been at the expense of public services. Quite the opposite is true: we have actually improved public services. In health and education alone, our government has allocated close to an additional $6 billion in funds since 2003. We are all the more proud that these new investments have been made at the same time as we have set aside a total of $1.5 billion to settle the pay equity issue.

We have managed to balance spending controls with reinvestments in priority areas mainly because of the work towards modernization we began in 2004. Thus the reduction in the size of government and measures aimed at reducing government operating expenses have saved us half a billion dollars to date. These cumulative savings will continue to grow in step with the staff level reduction called for in the Human Resources Management Plan for 2004-2007.

The approach we have taken, based on sound management, optimal use of resources, and efforts to rationalize operating expenses, has enabled us to reinvest substantial amounts in what Quebecers consider most important.

This same approach of discipline and sound management leads us to assign priority to the maintenance of public infrastructures, particularly in the health and social services, education and transportation sectors. This policy, which is not only being continued but stepped up this year, reflects our intention of preserving our assets and acting responsibly today so that we leave future generations public infrastructures they can take pride in.

This budget lays the groundwork for attaining new objectives. We can now look to the future with more confidence, knowing that our spending is in line with our capacity to pay, and based on our priorities. By continuing our efforts at modernization – especially through the development of public-private partnership projects – we will gain additional room to manoeuvre and ultimately enjoy the results of our full collective potential. More than ever before, we can move forward!



MONIQUE JÉRÔME-FORGET

CHAPTER 1

2006-2007 EXPENDITURE BUDGET

IN BRIEF

- Program spending amounts to $50,873.0 million in 2006-2007, while debt service will amount to $7,205.0 million, thus actual government expenditures are pegged at $58,078.0 million for 2006-2007.
- Program spending grows by 3.9%, $1,933.0 million more than in 2005-2006.
- This entire increase is allocated to the Government's priorities, health and education:
  - $1,302.5 million to the "Santé et Services sociaux" portfolio;
  - $660.0 million to the "Éducation, Loisir et Sport" portfolio.
- The expenditure budget for the other portfolios remains relatively stable, with a slight decrease of 0.2%.
- The weight of program spending in the Québec economy, which was at 17.7% in 2005-2006, has once again dropped this year, to 17.6%.

2006-2007 Expenditure Budget

In 2006-2007, total government expenditures amount to $58,078.0 million:

— An amount of $50,873.0 million is allocated to program spending;

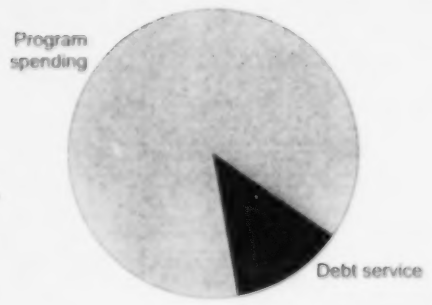
— The debt service represents $7,205.0 million.

Program spending has grown by 3.9% compared to 2005-2006, while the debt service has increased by 5.2%, for a total expenditure growth of 4.1%.

— The growth of $356.0 million in the debt service, which includes the direct debt service and interest on pension plans, is largely attributable to the forecast increase in interest rates.

For every dollar of Government revenue in 2006-2007, nearly 88 cents will be used to fund program costs and over 12 cents to fund the debt service cost.

Breakdown and Growth of Expenditures in 2006-2007



	Expenditures $M	Weight %	Growth %
Program spending	50,873.0	87.6	3.9
Debt service	7,205.0	12.4	5.2
Total Expenditures	**58,078.0**	**100.0**	**4.1**

Four portfolios account for 80.0% of the 2006-2007 program spending:

— The "Santé et Services sociaux" portfolio, with a budget of $22,114.5 million, represents 43.5% of program spending;

— The "Éducation, Loisir et Sport" portfolio, with a budget of $12,797.9 million, represents 25.2% of program spending;

— The "Emploi et Solidarité sociale" portfolio, with a budget of $4,033.3 million, represents 7.9% of program spending. The mission of this portfolio is to promote employment, the development of manpower, a more efficient labour market, the fight against poverty and social exclusion, and to ensure financial support to persons who are socially disadvantaged;

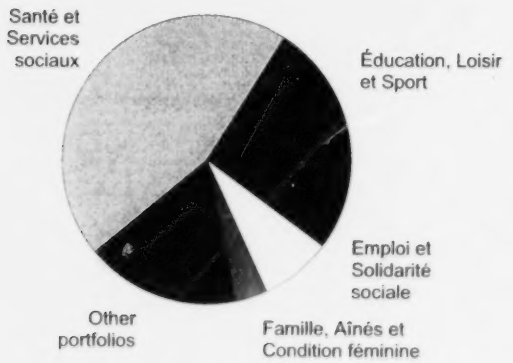
— The "Famille, Aînés et Condition féminine" portfolio, with a budget of $1,733.3 million, represents 3.4% of program spending. This portfolio ensures the consistency of government interventions affecting families, the elderly, and respect for women's rights with a view to achieving equality between women and men.

The other portfolios, with expenditures totaling $10,194.0 million, represent 20.0% of program spending and include mainly:

— $1,957.0 million to the "Transports" portfolio, the mission of which is to ensure the movement of persons and merchandise by means of efficient and safe transportation systems that contribute to the sustainable development of Québec;

— $1,847.4 million to the "Affaires municipales et Régions" portfolio, which ensures the implementation and maintenance of a quality living environment and municipal and supralocal services for all citizens, as well as the promotion of partnerships with various stakeholders in the area of regional development.

Breakdown of Program Spending in 2006-2007



	Expenditures $M	Weight %
Santé et Services sociaux	22,114.5	43.5
Éducation, Loisir et Sport	12,797.9	25.2
Emploi et Solidarité sociale	4,033.3	7.9
Famille, Aînés et Condition féminine	1,733.3	3.4
Other portfolios	10,194.0	20.0
Total	**50,873.0**	**100.0**

Variation in Program Spending in 2006-2007

The expenditure budget totals $50,873.0 million for the 2006-2007 fiscal year, which is 3.9% or $1,933.0 million more than the 2005-2006 probable expenditure.

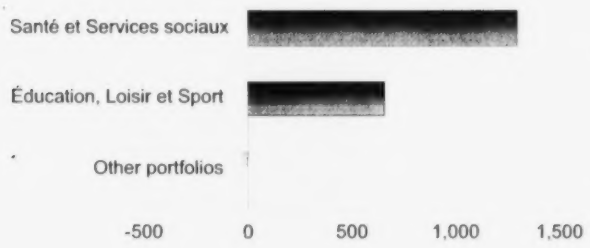
The growth allocated to health and education totals $1,962.5 million, as follows:

— $1,302.5 million to the "Santé et Services sociaux" portfolio, for a growth of 6.3% over 2005-2006, which represents 67.4% of the total growth in program spending in 2006-2007;

— $660.0 million to the "Éducation, Loisir et Sport" portfolio, or 5.4% more than in 2005-2006, which represents 34.1% of the total growth in program spending in 2006-2007.

The expenditure budget for the other portfolios remains relatively stable in 2006-2007, with a small decrease of 0.2%, or $29.5 million, compared to 2005-2006.

Breakdown of the Growth of Program Spending in 2006-2007 by Activity Sector
(in millions of dollars)



	Breakdown		Growth rate
	$M	%	%
Santé et Services sociaux	1,302.5	67.4	6.3
Éducation	660.0	34.1	5.4
Other portfolios	(29.5)	(1.5)	(0.2)
Total	**1,933.0**	**100.0**	**3.9**

Santé et Services sociaux:

Expenditure Budget Increase of $1,302.5 Million in 2006-2007

The growth allocated to the health and social services sector has reached $4,242.5 million over the past four years, which accounts for just over 60.0% of the growth allocated to program spending over the same period.

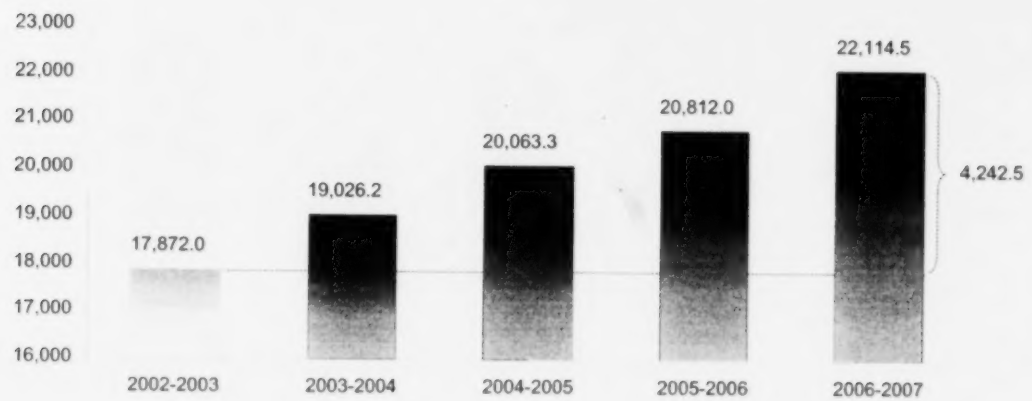
In 2006-2007 alone, the growth allocated to this sector is $1,302.5 million, 6.3% more than in 2005-2006, earmarked for:

— Funding the growth in program costs, including specific health system costs and the impact of pay equity. The increases in compensation granted to staff in the network and health professionals represent 67.3% of the total growth for 2006-2007;

— Proceeding with measures for the introduction of guaranteed access to hip, knee and cataract surgery;

— Increasing services to the dependent elderly, persons suffering from mental health problems and vulnerable persons.

Evolution in Health and Social Services Expenditures since 2002-2003
(in millions of dollars)



Éducation, Loisir et Sport:

Expenditure Budget Increase of $660.0 Million in 2006-2007

The expenditure budget allocated to education has increased by $1,632.0 million in four years, which is nearly a quarter of the growth allocated to all program spending over the same period.

Expenditures on education amount to $12,797.9 million in 2006-2007, for a growth of $660.0 million or 5.4% over 2005-2006.

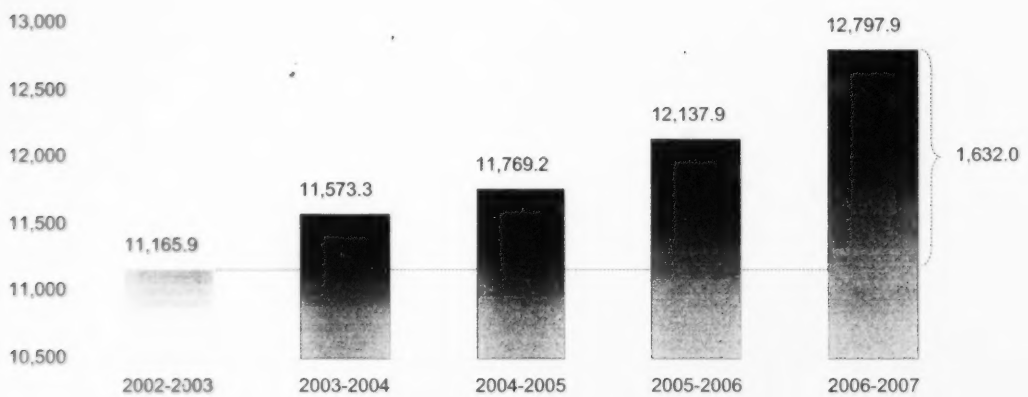
Additional amounts allocated to education will primarily serve to:

— Maintain the quality of services and the funding of the different growth factors in the networks;

— Add resources for students who are handicapped or have adjustment or learning difficulties and add resources pursuant to the 90-minute increase in teaching time per week at the elementary level;

— To fulfil the commitments made to students in regard to the financial assistance program. The addition for 2006-2007 totals $42.5 million, which brings the total amount of the agreement with the students, in regard to restablishing the level of bursaries over two years, to $103.0 million for the 2006-2007 award year.

Evolution in Education Expenditures since 2002-2003
(in millions of dollars)



Other portfolios:

Overall Program Spending Remains at the 2005-2006 Level

The budget allocated to the other portfolios in 2006-2007 totals $15,960.6 million, which is a decrease of $29.5 million or 0.2% compared to 2005-2006. However, some portfolios have a significant increase to take specific elements into account:

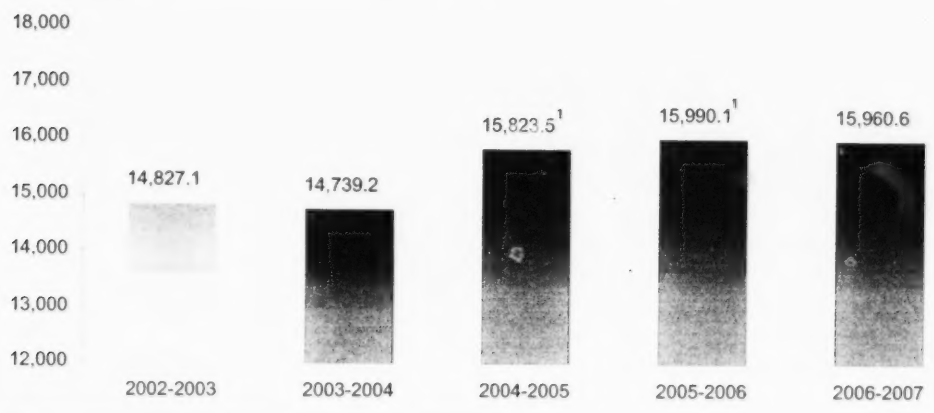
— $145.7 million or 8.0% to the "Transports" portfolio, primarily due to an increase in the debt service related to road infrastructures, subsequent to investments in the road system;

— $109.9 million or 6.8% to the "Famille, Aînés et Condition féminine" portfolio, primarily attributable to the appropriaticns required to annualize the reduced contribution chidren places that were developed during the 2005-2006 fiscal year and to the progression in salary scales;

— $84.8 million or 4.8% to the "Affaires municipales et Régions" portfolio, mainly to fund the increase in transfers to municipalities under the Entente financière et fiscale entered into with municipalities and assistance to social, community and affordable housing;

— $45.4 million or 8.5% to the "Culture et Communications" portfolio, including funding for the Grande bibliothèque and to help museums in financial difficulty.

Evolution in Expenditures of Other Portfolios since 2002-2003
(in millions of dollars)



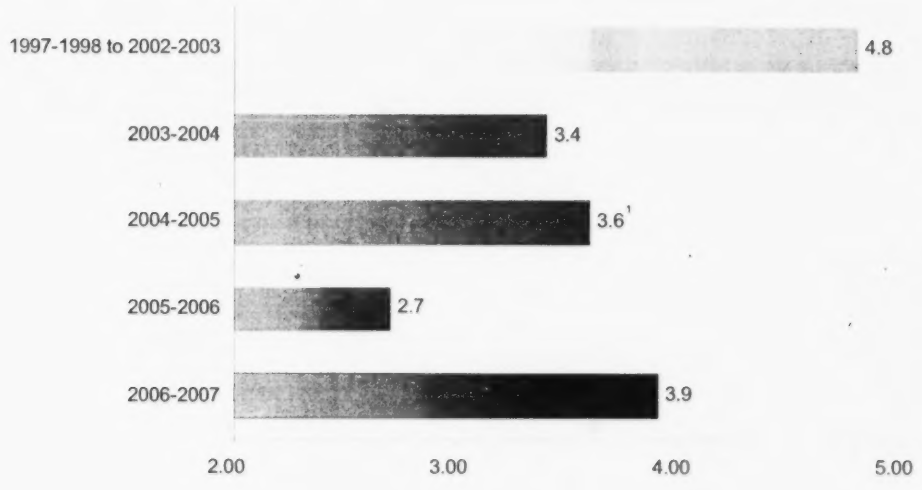
[1] Including an amount of $673.0 million in 2004-2005 for the Pay Equity Provision, covering the period from November 21, 2001 to March 31, 2005 and $390.0 million in 2005-2006.

Appendix 1.1

Program Spending Growth Rate since 1997-1998

Over the past four years, the growth in program spending was below the average for the period ranging from 1997-1998 to 2002-2003, excluding the amount of $673.0 million in 2004-2005 for the Pay Equity Provision, which covers the period from November 21, 2001 to March 31, 2005. The program spending growth rate in 2006-2007 is 3.9%.

Program Spending Growth Rate since 1997-1998
(Percentage)



[1] Excluding an amount of $673.0 million for the Pay Equity Provision, covering the period from November 21, 2001 to March 31, 2005.

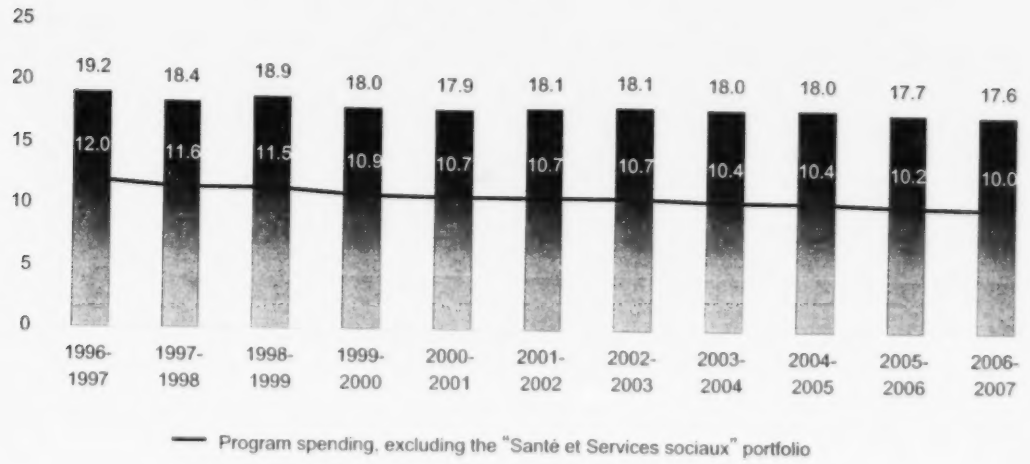
Appendix 1.2

Evolution of Program Spending as a Percentage of Gross Domestic Product

The weight of program spending in the economy should be at 17.6% in 2006-2007, which represents a decrease of 0.1% compared to the 2005-2006 fiscal year.

If expenditures allocated to the "Santé et Services sociaux" portfolio were excluded, program spending as a percentage of GDP would be at 10.0% for 2006-2007.

Evolution of Program Spending as a Percentage of Gross Domestic Product
(as a percentage)



Appendix 1.3

Variation between the 2006-2007 Expenditure Budget and the 2005-2006 Probable Expenditure[1]

	2006-2007 Expenditure Budget	2005-2006 Probable Expenditure [2]	Variation		
			$M	%	
National Assembly [3]	100.3	100.1	0.2	0.2	
Persons Appointed by the National Assembly [3]	62.4	60.0	2.4	4.0	
Affaires municipales et Régions	1,847.4	1,762.7	84.8	4.8	
Agriculture, Pêcheries et Alimentation	673.2	656.5	16.8	2.6	
Conseil du trésor et Administration gouvernementale	823.1	843.8	(20.8)	(2.5)	
Conseil exécutif	265.0	226.1	38.9	3.1	5
Culture et Communications	579.5	534.1	45.4	8.5	
Développement durable, Environnement et Parcs	189.6	189.2	0.4	0.2	
Développement économique, Innovation et Exportation	618.5	659.7	(41.2)	7.1	6
Éducation, Loisir et Sport	12,797.9	12,137.8	660.0	5.4	
Emploi et Solidarité sociale	4,033.3	4,056.6	(23.3)	(0.6)	
Famille, Aînés et Condition féminine	1,733.3	1,623.4	109.9	6.8	
Finances[4]	159.6	96.4	63.2	0.1	7
Immigration et Communautés culturelles	105.8	100.1	5.7	5.7	
Justice	630.9	623.1	7.7	1.2	
Relations internationales	99.0	99.4	(0.5)	(0.5)	
Ressources naturelles et Faune	379.3	407.8	(28.6)	(7.0)	
Revenu	798.1	896.5	(98.4)	(11.0)	
Santé et Services sociaux	22,114.5	20,812.0	1,302.5	6.3	
Sécurité publique	916.0	930.5	(14.5)	(1.6)	
Services gouvernementaux	40.9	92.0	(51.1)	(21.3)	8
Tourisme	139.3	158.6	(19.3)	(1.8)	9
Transports	1,957.0	1,811.4	145.7	8.0	
Travail	31.5	62.0	(30.5)	(2.4)	10
Anticipated Lapsed Appropriations	(150.0)	(150.0)	-	-	
Carry-over Appropriations in 2007-2008	(72.2)	(72.2)	-	-	
Program Spending	**50,873.0**	**48,940.0**	**1,933.0**	**3.9**	
Debt Service	7,205.0	6,849.0	356.0	5.2	
Total Expenditures	**58,078.0**	**55,789.0**	**2,289.0**	**4.1**	

Note: Figures are rounded and the sum of the amounts recorded may not correspond to the total.

Summary of expenditures - Notes

[1] The information only pertains to the expenditure budget and therefore does not include the extrabudgetary agencies, special funds and defined-purpose accounts. It also excludes the "Fixed Assets" and "Loans, Investments and Advances" supercategories included in the capital budget appearing in Volume II of the 2006-2007 Expenditure Budget.

[2] Program spending is presented according to the 2006-2007 budget structure.

[3] The information pertaining to the appropriations, expenditures and Annual Expenditure Management Plans of the National Assembly and the Persons Appointed by the National Assembly is presented in Volume I.

[4] For the purposes of this table, the government debt service is excluded from the expenditures of the "Finances" portfolio. In Volume II of the 2006-2007 Expenditure Budget and in the Annual Expenditure Management Plans of the departments and agencies, the expenditures of the "Finances" portfolio incorporate debt service.

[5] In the "Conseil exécutif" portfolio, the percentage change has been calculated by including the transfers of $30.9 million from the provision for the realization government communication projects in the probable expenditure.

[6] In the "Développement économique, Innovation et Exportation" portfolio, the percentage change has been calculated by excluding an exceptional amount of $82.0 million for the provision for guaranteed financial interventions from the probable expenditure.

[7] In the "Finances" portfolio, the percentage change has been calculated by including the transfers of $63.0 million from the provision for revenue initiatives in the probable expenditure.

[8] In the "Services gouvernementaux" portfolio, the percentage change has been calculated by excluding $40.0 million for the additional write-off of the GIRES project from the probable expenditure.

[9] In the "Tourisme" portfolio, the percentage change has been calculated by excluding the transfers of $16.8 million from the provision for the realization government communication projects from the probable expenditure.

[10] In the "Travail" portfolio, the percentage change has been calculated by excluding the Régie du bâtiment from the probable expenditure.

Notes

With regard to notes 5, 6, 7 and 9, a provision is a program element for which appropriations legislation gives the Conseil du trésor the power to authorize the transfer of part of an appropriation between programs or portfolios for the purposes and, if applicable, according to the conditions set out in the expenditure budget.

CHAPTER 2

RESULTS FOR THE 2005-2006 FISCAL YEAR

IN BRIEF

- Total government expenditures for the 2005-2006 fiscal year should amount to $55,789.0 million. They were revised upwards by $387.0 million after the 2005-2006 Expenditure Budget was tabled, mainly as a result of the adjustments of various budgetary line items for some departments.

- Program spending stands at $48,940.0 million, which is an increase of 2.7% over the previous fiscal year. Debt service is down 0.1% from the 2004-2005 fiscal year.

Variation in Government Expenditures in 2005-2006

Total government expenditures incurred during the 2005-2006 fiscal year should amount to $55,789.0 million, which is an increase of $1,280.5 million or 2.3% over the previous fiscal year.

Program spending is up 2.7% to $48,940.0 million, versus $47,655.3 million in 2004-2005.

Debt service stands at $6,849.0 million, which is down 0.1% from 2004-2005.

Total Expenditures
(in millions of dollars)

	2004-2005	2005-2006	Variation	
			$M	%
Program spending	47,655.3	48,940.0	1,284.7	2.7
Debt service	6,853.2	6,849.0	(4.2)	(0.1)
Total Expenditures	**54,508.5**	**55,789.0**	**1,280.5**	**2.3**

Evolution in the 2005-2006 Total Expenditure Forecast

Total government expenditures should amount to $55,789.0 million for the 2005-2006 fiscal year, which is an increase of $387.0 million over the 2005-2006 Expenditure Budget total forecast.

Concerning program spending, the forecast in the previous budget of $48,407.0 million is revised upwards to $48,940.0 million, which is an increase of $533.0 million, allocated as follows:

— $258.0 million for the expenditure for the provision for bad debts at the Ministère du Revenu to reflect the recurrence of the revision to this provision in 2004-2005;

— $82.0 million for the expenditure for the provision for losses from the financial intervention guaranteed at the Ministère du Développement économique, de l'Innovation et de l'Exportation to take into account the impact of the adjustments that will be made to the method used to establish this provision;

— $100.0 million for public sector pension plans. This amount reflects the impact of the new estimate of the value of the actuarial obligations of the government;

— $93.0 million for other factors, including the additional write-off of $40.0 million in respect of the moneys invested in the GIRES project of the Ministère des Services gouvernementaux.

In addition, the forecast debt service is revised downwards by $146.0 million. This decrease is due essentially to the strength of the Canadian dollar against the different currencies that make up the debt and lower than expected interest rates, compensated partly by the rise of the actuarial obligations of the government with regard to the retirement plans.

Evolution in the 2005-2006 Expenditure Budget
(in millions of dollars)

	Program spending	Debt service	Total expenditures
2005-2006 Expenditure Budget	48,407.0	6,995.0	55,402.0
PLUS:			
- Provision for bad debts at the MRQ	258.0	—	258.0
- Provision for losses on guaranteed financial interventions at the MDEIE	82.0	—	82.0
- Retirement plans: new estimates of the actuarial obligations of the government	100.0	—	100.0
- Other variations	93.0	(146.0)	(53.0)
Probable Expenditure	**48,940.0**	**6,849.0**	**55,789.0**

Evolution in Authorized Appropriations in 2005-2006

At the beginning of the fiscal year, the total appropriations presented to the National Assembly amounted to $56,329.7 million, comprising $49,334.7 million for program spending and $6,995.0 million for debt service.

Permanent appropriations were $120.2 million higher than projected at the beginning of the fiscal year. This increase is due to different variations that occurred during the fiscal year, including:

— An increase of $258.0 million in the expenditure towards the provision for bad debts at the Ministère du Revenu;

— A decrease of $146.0 million for debt service due essentially to the strength of the Canadian dollar against the different currencies that make up the debt and lower than expected interest rates, compensated partly by the rise of the actuarial obligations of the government with regard to the retirement plans.

The 2004-2005 appropriations actually carried over to 2005-2006 were $87.6 million, which is $45.2 million more than initially forecast.

Reconciliation between Appropriations and Probable Expenditure in 2005-2006
(in millions of dollars)

	Program spending	Debt service	Total expenditures
Initial appropriations	49,334.7	6,995.0	56,329.7
Permanent appropriations: variation	266.2	(146.0)	120.2
2004-2005 appropriations carried over to 2005-2006: variation	45.2	-	45.2
Total Appropriations	**49,646.1**	**6,849.0**	**56,495.1**
LESS: Appropriations allocated to the capital budget	(927.9)	-	(927.9)
PLUS: Depreciation expenditures	221.8	-	221.8
Probable Expenditure	**48,940.0**	**6,849.0**	**55,789.0**

CHAPTER 3

2006-2007 EXPENDITURE BUDGET BREAKDOWN BY MAJOR CATEGORY AND BENEFICIARY

IN BRIEF

- The Government's Expenditure Budget for 2006-2007 amounts to $58,078.0 million, including $50,873.0 million for program spending, or 87.6%, and $7,205.0 million for debt service, or 12.4%.
- Health and education expenditures account for 68.6% of program spending, with the largest share paid to health and social service establishments as well as educational institutions.
- Support expenditures total $11,133.4 million, half of which, or $5,550.2 million, is intended for individuals through various programs such as the Homework Assistance Program, employment assistance measures and financial support for farmers.
- Remuneration expenditures total $28,479.3 million, or 56.0% of program spending.

Expenditure Breakdown Overview

The Government's Expenditure Budget for 2006-2007 amounts to $58,078.0 million, including $50,873.0 million for program spending, or 87.6%, and $7,205.0 million for debt service, or 12.4%.

Expenditure Breakdown by Supercategory

In 2006-2007, three quarters of the Government's total expenditures is allocated to "Transfer" expenditures and 12.4% to servicing the government debt.

The other supercategories, namely those related to operating expenditures and to special funds, make up 12.9% of total expenditures.

Volumes I and II of the Expenditure Budget contain a breakdown of expenditures for each portfolio by supercategory. Expenditures in the "Transfer supercategory are also broken down by category and by beneficiary and "Allocation to a Special Fund" are broken down by category.

2006-2007 Expenditure Budget by Supercategory and Category
(in millions of dollars)

	Categories						
	Remuneration	Operating	Capital	Interest	Support	Other	**Total**
Supercategories							
Remuneration	2,959.7	-	-	-	-	-	**2,959.7**
Operating	-	2,159.7	-	-	-	-	**2,159.7**
Transfer	25,161.2	4,989.6	1,612.0	1,394.5	10,227.9	-	**43,385.2**
Allocation to a Special Fund	358.4	140.2	474.9	337.0	905.5	-	**2,216.0**
Bad debts and other	-	-	-	-	-	374.6	**374.6**
Anticipated lapsed appropriations	-	-	-	-	-	(150.0)	**(150.0)**
Carry-over appropriations in 2007-2008	-	-	-	-	-	(72.2)	**(72.2)**
Program spending	28,479.3	7,289.5	2,086.9	1,731.5	11,133.4	152.4	**50,873.0**
Debt service	-	-	-	7,205.0	-	-	**7,205.0**
Total	**28,479.3**	**7,289.5**	**2,086.9**	**8,936.5**	**11,133.4**	**152.4**	**58,078.0**

Breakdown of Program Spending by Category

By category, the Government's program spending breaks down as follows:

— $28,479.3 million, or 56.0%, for remuneration expenditures;

— $11,133.4 million, or 21.9%, for support expenditures for individuals, businesses, public and parapublic agencies and other government partners;

— $7,441.9 million, or 14.6%, for operating expenditures and other;

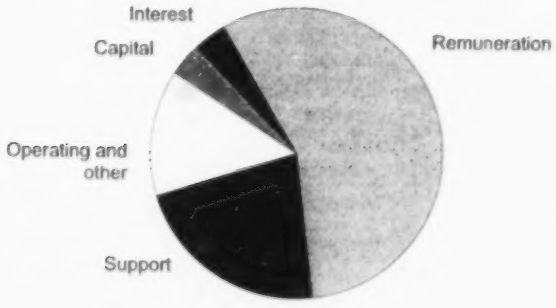
— $2,086.9 million, or 4.1%, for capital expenditures;

— $1,731.5 million, or 3.4%, for interest expenditures on the debt attributable to program spending.

The expenditure categories make it possible to present expenditures by type and relative importance. They are presented in Appendix 3.1.

Appendix 3.2 contains the breakdown of the expenditure budget by category for each portfolio.

2006-2007 Program Spending by Category



	$M	%
Remuneration	28,479.3	56.0
Support	11,133.4	21.9
Operating and other [1]	7,441.9	14.6
Capital	2,086.9	4.1
Interest	1,731.5	3.4
Total	**50,873.0**	**100.0**

[1] Includes, in addition to operating expenditures, variations in the provisions for bad debts, anticipated lapsed appropriations, carry-over appropriations in 2007-2008.

Breakdown of Expenditures by Beneficiary

Health and social service establishments, with $15,500.6 million, as well as educational institutions, with $12,392.2 million, together account for 54.9% of the program spending planned for 2006-2007.

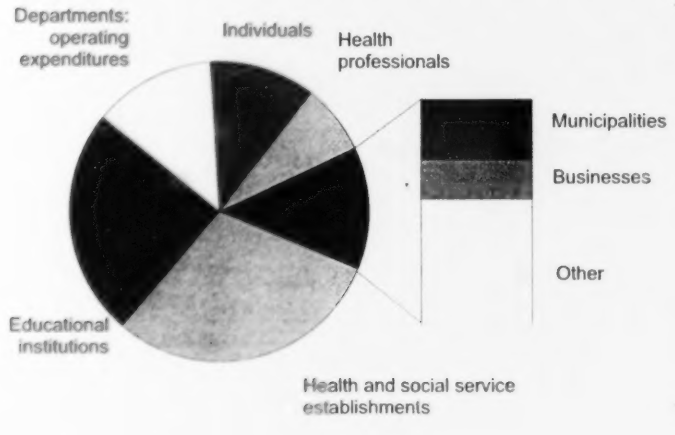
Departmental operating expenditures, at $6,804.5 million, make up 13.4% of program spending.

Expenditures for individuals account for $5,632.0 million, or 11.1% of program spending.

Remuneration of health professionals amounts to $3,909.2 million and represents 7.7% of program spending.

Expenditures allocated to various other beneficiaries, including municipalities, businesses, non-profit organizations, and government corporations and agencies total $6,634.5 million, or 12.9% of program spending.

2006-2007 Program Spending by Beneficiary



	$M	%
Health and social service establishments	15,500.6	30.5
Educational institutions	12,392.2	24.4
Departments: operating expenditures	6,804.5	13.4
Individuals	5,632.0	11.1
Health professionals	3,909.2	7.7
Municipalities	1,822.9	3.6
Businesses	1,121.9	2.2
Other[1]	3,689.7	7.1
Total	**50,873.0**	**100.0**

[1] In addition to other beneficiaries, includes anticipated lapsed appropriations and carry-over appropriations in 2007-2008.

Appendix 3.3 contains the breakdown of expenditures by beneficiary for each portfolio.

Breakdown of 2006-2007 Forecast Program Spending by Beneficiary
(in millions of dollars)

	Santé et Services sociaux	Éducation, Loisir et Sport	Emploi et Solidarité sociale	Other departments	Other	**Total**
Health and social service establishments	15,442.0	-	-	58.6	-	**15,500.6**
Educational institutions	-	12,171.6	97.0	123.6	-	**12,392.2**
Departments: operating expenditures	143.1	165.9	481.4	6,014.1	-	**6,804.5**
Assistance to individuals	1,847.0	342.2	3,081.2	361.6	-	**5,632.0**
Health professionals	3,909.2	-	-	-	-	**3,909.2**
Assistance to municipalities	-	1.4	-	1,821.5	-	**1,822.9**
Assistance to businesses	117.5	-	73.6	930.8	-	**1,121.9**
Other beneficiaries	655.7	116.8	300.1	2,839.3	-	**3,911.9**
Anticipated lapsed appropriations	-	-	-	-	(150.0)	**(150.0)**
Carry-over appropriations in 2007-2008	-	-	-	-	(72.2)	**(72.2)**
Program Spending	**22,114.5**	**12,797.9**	**4,033.3**	**12,149.5**	**(222.2)**	**50,873.0**

Remuneration Expenditures

Forecast remuneration expenditures amount to $28,479.3 million in 2006-2007, or 56.0% of program spending:

— Health and social service establishments and educational institutions respectively account for 39.6% and 33.2% of the total remuneration expenditures;

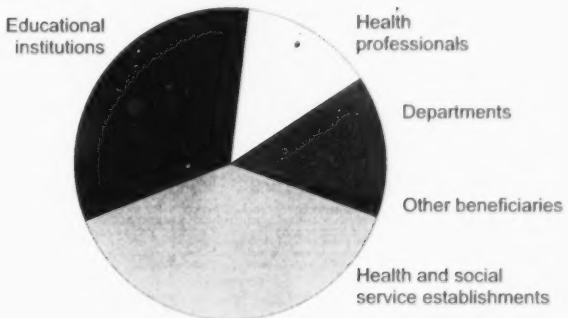
— Health professionals receive 13.7% of remuneration expenditures while the share of department personnel is 11.7%.

Remuneration expenditures increase by $1,321.3 million in 2006-2007. This growth is divided between sectors as follows:

— In the health and social services sector, remuneration expenditures increase by $936.1 million over the 2005-2006 fiscal year. This growth is mainly attributable to the provision created for pay equity, salary adjustments and other improvements in the working conditions of employees in the network, and to the planned increases in expenditures for health professionals;

— In the education networks, the increase of $419.5 million is the result of the provision created for pay equity, additional resources for students who are handicapped or have adjustment or learning difficulties, salary adjustments for employees in the networks, the agreement respecting teachers' remuneration based on the recognition of 40 hours per week, and the 90-minute increase in teaching time per week in the elementary sector.

2006-2007 Remuneration Expenditures by Beneficiary



	$M	%
Health and social service establishments	11,277.6	39.6
Educational institutions	9,452.0	33.2
Health professionals	3,909.2	13.7
Departments	3,318.1	11.7
Other beneficiaries	522.4	1.8
Total	**28,479.3**	**100.0**

— The remuneration expenditures under Departments and Other beneficiaries decline by $34.3 million. This decrease is attributable in part to the impact of the non-remplacement of one of every to retirees on average.

2006-2007 Forecast Remuneration Expenditures by Beneficiary[1]
(in millions of dollars)

	Salaries	Employer contributions			Total
		Pension plans	Other	Subtotal	
Santé et Services sociaux					
Department	53.3	-	5.5	5.5	**58.8**
Health and social service establishments	9,563.7	632.1	1,081.8	1,713.9	**11,277.6**
Health professionals	3,909.2	-	-	-	**3,909.2**
Other beneficiaries	114.0	-	7.6	7.6	**121.6**
	13,640.2	632.1	1,094.9	1,727.0	**15,367.2**
Éducation, Loisir et Sport					
Department	83.0	-	8.0	8.0	**91.0**
Educational institutions	7,844.2	734.1	873.7	1,607.8	**9,452.0**
Other beneficiaries	10.2	-	1.1	1.1	**11.3**
	7,937.4	734.1	882.8	1,616.9	**9,554.3**
Other					
Departments	2,561.9	302.5	303.9	606.4	**3,168.3**
Other beneficiaries	334.8	19.6	35.1	54.7	**389.5**
	2,896.7	322.1	339.0	661.1	**3,557.8**
Total	**24,474.3**	**1,688.3**	**2,316.7**	**4,005.0**	**28,479.3**
2005-2006 Comparative Expenditures	23,349.9	1,621.2	2,186.9	3,808.1	27,158.0

[1] Includes appropriations for the "Remuneration" supercategory and the "Remuneration" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

Operating Expenditures

Operating expenditures stand at $7,289.5 million in 2006-2007, compared to $6,999.2 million in 2005-2006, and break down as follows:

— 45.9% or $3,347.5 million for health and social service establishments;

— 31.6% or $2,299.9 million allocated to the departments;

— 19.0% or $1,386.2 million for educational institutions;

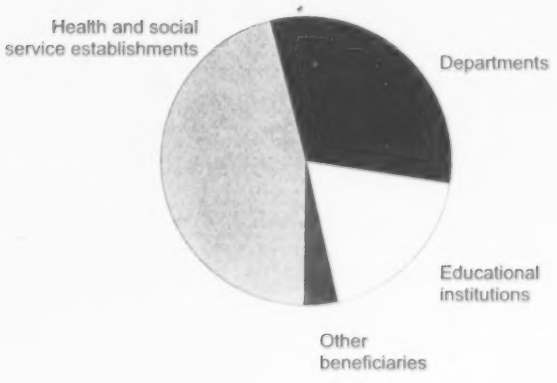
— 3.5% or $255.9 million for other beneficiaries.

Operating expenditures are $290.3 million higher in 2006-2007 than 2005-2006. This increase is mainly the result of the following variations:

— In the health and social services sector, an increase of $207.9 million resulting in large part from funding the growth in the cost of services to the population and the indexation of other expenditures;

— In the education sector, an increase of $92.8 million resulting in part from additional needs related to the growth in clientele in the university network and the indexation of other expenditures.

2006-2007 Operating Expenditures by Beneficiary



	$M	%
Health and social service establishments	3,347.5	45.9
Departments	2,299.9	31.6
Educational institutions	1,386.2	19.0
Other beneficiaries	255.9	3.5
Total	**7,289.5**	**100.0**

2006-2007 Forecast Operating Expenditures by Beneficiary
(in millions of dollars)

	Operating[1]	Transfer		Total
		Networks	Other	
Santé et Services sociaux				
Department	84.3	-	-	**84.3**
Assistance to health and social service establishments	-	3,347.5	-	**3,347.5**
Other beneficiaries	-	-	90.4	**90.4**
	84.3	3,347.5	90.4	**3,522.2**
Éducation, Loisir et Sport				
Department	63.9	-	-	**63.9**
Assistance to educational institutions	-	1,386.2	-	**1,386.2**
Other beneficiaries	-	-	5.6	**5.6**
	63.9	1,386.2	5.6	**1,455.7**
Other				
Departments	2,151.7	-	-	**2,151.7**
Other beneficiaries	-	-	159.9	**159.9**
	2,151.7	-	159.9	**2,311.6**
Total	**2,299.9**	**4,733.7**	**255.9**	**7,289.5**
2005-2006 Comparative Expenditures	2,315.9	4,427.6	255.7	6,999.2

[1] Includes expenditures for the "Operating" category of the "Allocation to a Special Fund" supercategory.

Capital Expenditures

Forecast capital expenditures total $2,086.9 million in 2006-2007, or $164.5 million more than in the previous fiscal year.

The health and social services and education networks account for a large portion of the capital expenditures:

— 15.7% or $327.7 million for health and social service establishments;

— 25.9% or $540.6 million for educational institutions.

Capital expenditures are allocated according to the three avenues of intervention used by the government: capital expenditures allocated to special funds, repayment of principal, and subsidized fixed assets.

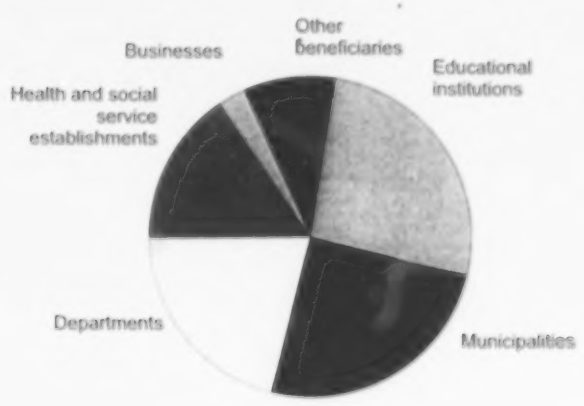
Capital Expenditures Allocated to Special Funds

Capital expenditures allocated to the special funds account for 22.8% of the total capital expenditures in 2006-2007.

The amounts allocated for the funds' capital expenditures are up $64.5 million, from $410.4 million in 2005-2006 to $474.9 million in 2006-2007.

The main reason for this variation is an increase of $69.4 million in the government's capital expenditure contribution to the Road Network Preservation and Improvement Fund, the purpose of which is to preserve pavements and structures, and to improve and develop the road network.

Forecast Capital Expenditures in 2006-2007 by Beneficiary



	$M	%
Educational institutions	540.6	25.9
Municipalities	476.6	22.8
Departments	474.9	22.8
Health and social service establishments	327.7	15.7
Businesses	44.1	2.1
Other beneficiaries	223.0	10.7
Total	**2,086.9**	**100.0**

Expenditures for Repayment of Principal

Expenditures for repayment of the principal on the subsidized debt represent 70.1% of the total capital expenditures in 2006-2007.

These expenditures rise from $1,367.1 million in 2005-2006 to $1,463.9 million in 2006-2007. The main reasons for this increase of $96.8 million are as follows:

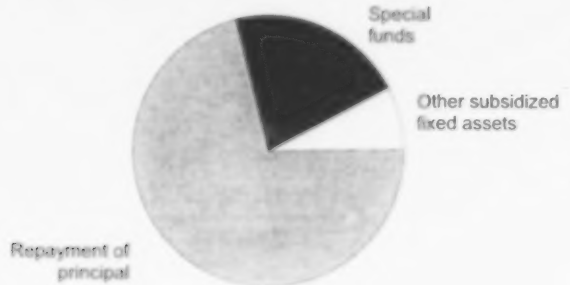
— An increase of $28.1 million in the "Affaires municipales et Régions" portfolio, attributable to the funds required to fulfil the government's water purification commitments;

— In the health and social services sector, an increase of $27.1 million, due mainly to the construction work done in connection with the investment plans for health and social service establishments;

— An increase of $23.6 million in the "Éducation, Loisir et Sport" portfolio, reflecting the funding of authorized investments in the networks;

— An increase of $18.2 million to cultural government corporations, mainly attributable to the completion of construction work on the Grande Bibliothèque.

Forecast Capital Expenditures in 2006-2007 Broken Down by Avenue of Intervention



	$M	%
Repayment of principal	1,463.9	70.1
Special funds	474.9	22.8
Other subsidized fixed assets	148.1	7.1
Total	**2,086.9**	**100.0**

Subsidized Fixed Assets

Subsidies for fixed assets account for 7.1% of the total capital expenditures in 2006-2007.

These subsidies rise from $144.9 million in 2005-2006 to $148.1 million in 2006-2007, an increase of $3.2 million. The subsidies are primarily intended for businesses and municipalities, which account for 59.6% of these expenditures.

Forecast Capital Expenditures in 2006-2007 by Beneficiary
(in millions of dollars)

	Special funds[1]	Subsidized fixed assets		Total
		Repayment of principal	Subsidies for fixed assets	
Santé et Services sociaux				
Health and social service establishments	-	311.5	16.2	**327.7**
Other beneficiaries	-	-	4.2	**4.2**
	-	311.5	20.4	**331.9**
Éducation, Loisir et Sport				
Educational institutions	-	509.7	30.9	**540.6**
Other beneficiaries	-	1.8	0.9	**2.7**
	-	511.5	31.8	**543.3**
Other				
Departments	474.9	-	-	**474.9**
Assistance to businesses	-	4.0	40.1	**44.1**
Assistance to municipalities	-	428.3	48.3	**476.6**
Other beneficiaries	-	208.6	7.5	**216.1**
	474.9	640.9	95.9	**1,211.7**
Total	**474.9**	**1,463.9**	**148.1**	**2,086.9**
2005-2006 Comparative Expenditures	410.4	1,367.1	144.9	1,922.4

[1] Includes expenditures in the "Capital" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

Interest Expenditures

Interest expenditures by the government amount to $8,936.5 million for the 2006-2007 fiscal year, compared to $8,562.6 million the previous fiscal year.

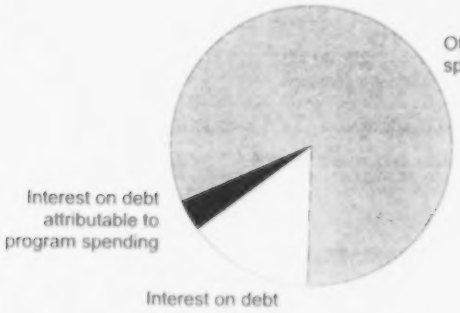
Interest expenditures by the government break down as follows:

— 12.4% or $7,205.0 million for forecast interest expenditures on the debt of the consolidated revenue fund;

— 3.0% or $1,731.5 million for expenditures allocated to servicing the debt attributable to program spending.

Interest expenditures represent 15.4% of the Government's total expenditures planned for 2006-2007.

Interest Expenditures as Share of Total Expenditures in 2006-2007



	$M	%
Interest on debt	7,205.0	12.4
Interest on debt attributable to program spending	1,731.5	3.0
Other program spending	49,141.5	84.6
Total	**58,078.0**	**100.0**

Interest on the Debt of the Consolidated Revenue Fund

Interest expenditures on the debt of the consolidated revenue fund amount to $7,205.0 million in 2006-2007, and include finance charges of $4,546.0 million attributable to the direct debt and finance charges of $2,659.0 million attributable to the retirement plans account.

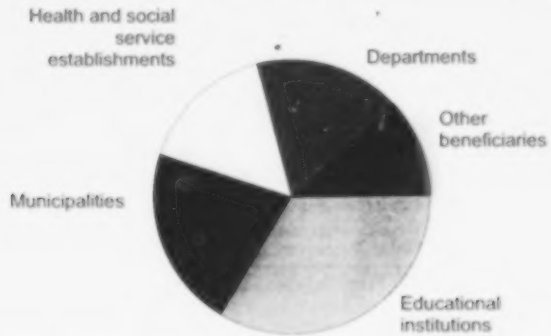
Interest expenditures on the debt of the consolidated revenue fund are $356.0 million higher than in the previous fiscal year. This increase is largely due to the expected rise in interest rates.

Interest on the Debt Attributable to Program Spending

Interest on the debt attributable to program spending amounts to $1,731.5 million for the 2006-2007 fiscal year, compared to $1,713.6 million in 2005-2006, an increase of $17.9 million.

This growth is notably due to an increase of $32.3 million attributable mainly to funding the investments made by the Road Network Preservation and Improvement Fund, and to reductions in other departments.

Interest Expenditures on the Debt Attributable to Program Spending by Beneficiary



	$M	%
Educational institutions	537.3	31.0
Municipalities	365.2	21.1
Health and social service establishments	269.3	15.6
Departments	337.0	19.5
Other beneficiaries	222.7	12.8
Total	**1,731.5**	**100.0**

Forecast Interest Expenditures in 2006-2007 by Beneficiary
(in millions of dollars)

	Subsidized debt and other[1]	Government debt	Total
Santé et Services sociaux			
Health and social service establishments	269.3	-	**269.3**
	269.3	-	**269.3**
Éducation, Loisir et Sport			
Educational institutions	537.3	-	**537.3**
Other beneficiaries	2.3	-	**2.3**
	539.6	-	**539.6**
Other			
Departments	337.0	-	**337.0**
Municipalities	365.2	-	**365.2**
Other beneficiaries	220.4	-	**220.4**
	922.6	-	**922.6**
Program Spending	1,731.5	-	**1,731.5**
Debt Service			
Direct debt	-	4,546.0	**4,546.0**
Retirement plans account	-	2,659.0	**2,659.0**
	-	7,205.0	**7,205.0**
Total	**1,731.5**	**7,205.0**	**8,936.5**
2005-2006 Comparative Expenditures	1,713.6	6,849.0	8,562.6

[1] Includes expenditures in the "Interest" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

Support Expenditures

Support expenditures encompass support and assistance programs intended mainly for individuals, non-profit organizations, businesses and municipalities. Half of the support expenditures are paid to individuals.

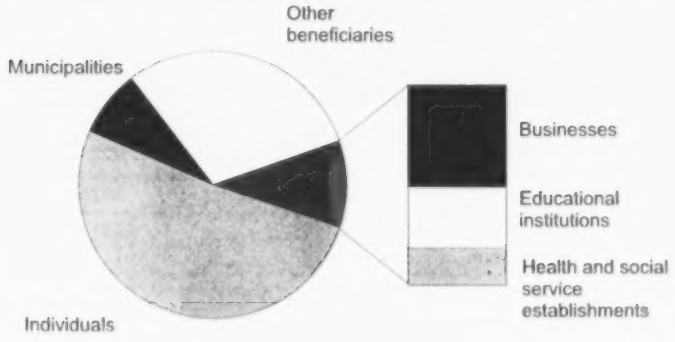
Support expenditures amount to $11,133.4 million in 2006-2007, which is $461.1 million higher than in 2005-2006. This increase is divided between the following elements:

— In the "Affaires municipales et Régions" portfolio, an increase of $60.0 million mainly to enable the Government to fulfil its commitments under the Compensations in lieu of Taxes program and financial measures set out in the Entente financière et fiscale, which was extended in 2006 with full indexation. An additional amount of $8.0 million is also allocated to the Regional Development Fund for the operations of the regional conference of elected representatives;

— In the "Agriculture, Pêcheries et Alimentation" portfolio, an increase of $16.3 million essentially attributable to the increase in the funds granted for the Refund of Property Taxes and Compensations to Agricultural Operations;

— In the "Éducation, Loisir et Sport" portfolio, an increase of $68.6 million mainly attributable to the Financial Assistance for Education Program pursuant to the increase in the amount of bursaries as a result of the agreement entered into with the student federations in April 2005, and to an increase of $14.8 million in the subsidy for school transportation;

Support Expenditures by Beneficiary in 2006-2007



	$M	%
Individuals	5,550.2	49.9
Municipalities	1,003.0	9.0
Other beneficiaries	3,125.6	28.0
Businesses	882.1	7.9
Educational institutions	352.5	3.2
Health and social service establishments	220.0	2.0
Total	**11,133.4**	**100.0**

— In the "Famille, Aînés et Condition féminine" portfolio, an increase of $92.9 million notably as a result of the annualization of the cost of reduced-contribution childcare places that were developed during the 2005-2006 fiscal year;

— In the "Santé et Services sociaux" portfolio, an increase of $145.5 million primarily attributable to the Prescription Drug Insurance Program and to the increase in subsidies to community organizations, family resources and for emergency pre-hospital services.

Forecast Support Expenditures in 2006-2007 by Beneficiary
(in millions of dollars)

	Transfer	Other[1]	Total
Santé et Services sociaux			
Health and social service establishments	220.0	-	**220.0**
Assistance to individuals	1,847.0	-	**1,847.0**
Other beneficiaries	556.9	-	**556.9**
	2,623.9	-	**2,623.9**
Éducation, Loisir et Sport			
Educational institutions	255.5	-	**255.5**
Assistance to individuals	342.2	-	**342.2**
Other beneficiaries	96.2	-	**96.2**
	693.9	-	**693.9**
Emploi et Solidarité sociale			
Educational institutions	-	97.0	**97.0**
Assistance to individuals	2,710.8	370.4	**3,081.2**
Other beneficiaries	28.6	334.8	**363.4**
	2,739.4	802.2	**3,541.6**
Other			
Assistance to businesses	844.4	37.7	**882.1**
Assistance to municipalities	994.2	8.8	**1,003.0**
Assistance to individuals	279.8	-	**279.8**
Other beneficiaries	2,052.1	57.0	**2,109.1**
	4,170.5	103.5	**4,274.0**
Total	**10,227.7**	**905.7**	**11,133.4**
2005-2006 Comparative Expenditures	9,778.0	894.3	10,672.3

[1] Includes expenditures in the "Support" category of the "Allocation to a Special Fund" supercategory.

Expenditures Related to the Provision for Bad Debts and Other Provisions

The Bad Debts and Other supercategory includes the expenditures related to the variation in the provision for bad debts and the provision for losses on financial interventions guaranteed by the government. For the 2006-2007 fiscal year, these expenditures stand at $374.6 million, compared to $474.6 million for 2005-2006.

In 2006-2007, expenditures related to the change in the provision for bad debts total $298.4 million, down $121.5 million from the previous fiscal year. This provision is intended to maintain the government's balanced budget by allowing for probable future losses on normal receivables. This decrease is essentially attributable to the "Revenu" portfolio, the provision for which was revised upwards by $258.0 million in 2005-2006.

The expenditures related to the provision for losses on financial interventions guaranteed by the Government, excluding an exceptional amount of $82.0 million from the probable expenditure of the Ministère du Développement économique, de l'Innovation et de l'Exportation, rise by $21.5 million to reach $76.2 million in 2006-2007.

— A large part of this increase is to be found in the "Développement économique, Innovation et Exportation" portfolio following the new interventions planned under the Strategic Support for Investment Program.

Expenditures Related to the Provision for Bad Debts and Other Provisions in 2006-2007
(in millions of dollars)

	Bad debts	Losses on guaranteed financial interventions	**Total**
Développement économique, Innovation et Exportation	-	72.1	**72.1**
Éducation, Loisir et Sport	11.0	-	**11.0**
Revenu	275.2	-	**275.2**
Other departments	12.2	4.1	**16.3**
Total	**298.4**	**76.2**	**374.6**
2005-2006 Comparative Expenditures	419.9	54.7	474.6

Appendix 3.1

Nature of the Expenditure Categories Presented in This Chapter

Remuneration

Remuneration expenditures encompass the salaries of health professionals and employees of the health and social services network, the education networks and the public service, employer contributions to the retirement plans and employer contributions paid to the various established government plans and the group insurance plan.

Operating

Operating and other expenditures include the support and administrative expenditures of departments and agencies, including the Contingency Fund, those of the health and social services network and those of the education networks. Also included are expenditures related to depreciation of fixed assets of departments and agencies.

Capital

Capital expenditures include subsidized fixed assets and allocations to special funds for the purposes of the commitments associated with their fixed assets. The government subsidizes, as the case may be, the cost of the beneficiaries' fixed assets or repayment of the principal amount of loans contracted by its partners.

Expenditures for the repayment of principal cover the funding of the government's share with respect to the fixed assets subsidized by the debt service. This type of intervention applies to capital expenditures by school boards, CEGEPs, universities, and health and social service establishments, by municipalities (in the case of public transportation and sewage treatment) and by cultural institutions in the case of cultural facilities.

For these sectors, completed capital spending projects are financed by long-term borrowing. The repayment schedule, as the case may be, may extend over a 25-year period. To cover its share, the government undertakes to repay all or part of the principal.

Interest

Interest expenditures include expenditures allocated to service the subsidized debt, recognitions in program spending, and expenditures to pay interest on the government debt.

Support

Support expenditures include various other subsidies intended to provide various forms of financial assistance to individuals, businesses, government and parapublic agencies and other government partners.

— In the "Santé et Services sociaux" portfolio, the health assistance and prescription drug insurance programs administered by the Régie de l'assurance maladie du Québec and assistance to family resources, assistance to community organizations and auxiliary grants for the health and social services network;

— In the "Éducation, Loisir et Sport" portfolio, the school transportation assistance program and the financial assistance to education program;

— In the "Emploi et Solidarité sociale" portfolio, financial assistance measures and employment assistance measures;

— In the "Famille, Aînés et Condition féminine" portfolio, support for childcare centres and other childcare services.

In the other portfolios, they include programs such as:

— The assistance for social housing and home improvement assistance programs administered by Société d'habitation du Québec;

— Financial compensation programs at the Ministère des Affaires municipales et des Régions;

— Financial support for farmers and bio-food company assistance programs at the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation;

— Financial support program for the manufacturing and trade sectors, the development of foreign trade, and financial support for the development of research and innovation at the Ministère du Développement économique, de l'Innovation et de l'Exportation;

— Assistance programs to municipalities for public transportation at the Ministère des Transports.

2006-2007 Expenditure Budget Breakdown by Major Category (in millions of $)

	Remuneration	Operating and other[1]	Capital	Interest	Support	Total
Affaires municipales et Régions	69.9	27.3	388.4	361.8	1,000.0	1,847.4
Agriculture, Pêcheries et Alimentation	160.5	64.1	26.5	-	422.1	673.2
National Assembly	73.0	27.2	-	-	0.1	100.3
Conseil du trésor et Administration gouvernementale	417.4	397.0	1.0	7.5	0.2	823.1
Conseil exécutif	55.4	36.8	7.4	6.3	157.1	265.0
Culture et Communications	163.3	83.1	87.6	60.6	184.9	579.5
Développement durable, Environnement et Parcs	101.9	53.5	16.6	7.7	9.9	189.6
Développement économique, Innovation et Exportation	61.6	118.9	10.5	10.5	417.0	618.5
Éducation, Loisir et Sport	9,554.3	1,466.7	543.3	539.6	694.0	12,797.9
Emploi et Solidarité sociale	307.0	150.4	32.0	2.3	3,541.6	4,033.3
Famille, Aînés et Condition féminine	59.9	24.7	13.0	9.2	1,626.5	1,733.3
Finances	63.7	91.7	-	-	4.2	159.6
Immigration et Communautés culturelles	55.2	19.6	-	-	30.9	105.7
Justice	382.8	193.7	0.5	-	53.9	630.9
Persons Appointed by the National Assembly	39.7	19.9	-	-	2.8	62.4
Relations internationales	47.4	24.8	1.6	0.7	24.5	99.0
Ressources naturelles et Faune	202.6	96.3	12.4	19.6	48.4	379.3
Revenu	362.2	401.5	28.9	5.3	0.1	798.0
Santé et Services sociaux	15,367.2	3,522.2	331.9	269.3	2,623.9	22,114.5
Sécurité publique	588.0	288.7	5.5	0.2	33.6	916.0
Services gouvernementaux	12.0	28.4	-	-	0.5	40.9
Tourisme	38.1	41.4	12.0	21.4	26.4	139.3
Transports	280.7	468.4	567.8	409.5	230.6	1,957.0
Travail	15.5	15.8	-	-	0.2	31.5
Anticipated Lapsed Appropriations	-	(150.0)	-	-	-	(150.0)
Carry-over Appropriations in 2007-2008	-	(72.2)	-	-	-	(72.2)
Program Spending	**28,479.3**	**7,441.9**	**2,086.9**	**1,731.5**	**11,133.4**	**50,873.0**
Government debt service	-	-	-	7,205.0	-	7,205.0
Total Expenditures	**28,479.3**	**7,441.9**	**2,086.9**	**8,936.5**	**11,133.4**	**58,078.0**

[1] This learning includes the provisions for bad debt and other, anticipated lapsed appropriations and carry-over appropriations in 2007-2008.

Appendix 3.3

2006-2007 Expenditure Budget Breakdown by Beneficiary (in millions of $)

	Departments[1]	Health and social service establishments	Educational institutions	Individuals	Municipalities	Businesses	Other[2]	Total
Affaires municipales et Régions	72.7	0.4	20.4	144.3	1,319.2	7.3	283.1	1,847.4
Agriculture, Pêcheries et Alimentation	187.7	-	2.2	-	-	414.9	88.4	673.2
National Assembly	100.2	-	-	-	-	-	0.1	100.3
Conseil du trésor et Administration gouvernementale	800.9	1.5	20.5	-	-	-	0.2	823.1
Conseil exécutif	94.2	-	0.3	-	20.1	0.9	149.6	265.0
Culture et Communications	82.9	-	2.1	11.4	58.7	46.0	378.4	579.5
Développement durable, Environnement et Parcs	155.4	-	0.3	-	9.6	-	24.3	189.6
Développement économique, Innovation et Exportation	170.9	56.7	75.6	23.2	7.9	117.5	166.7	618.5
Éducation, Loisir et Sport	165.9	-	12,171.6	342.2	1.4	-	116.8	12,797.9
Emploi et Solidarité sociale	481.4	-	97.0	3,081.2	-	73.6	300.1	4,033.3
Famille, Aînés et Condition féminine	84.6	-	-	46.1	-	287.4	1,315.2	1,733.3
Finances	141.1	-	-	-	-	-	18.5	159.6
Immigration et Communautés culturelles	74.8	-	-	14.3	1.7	-	14.9	105.7
Justice	430.1	-	-	106.1	-	-	94.7	630.9
Persons Appointed by the National Assembly	59.7	-	-	-	-	-	2.7	62.4
Relations internationales	73.6	-	1.3	2.1	-	-	22.0	99.0
Ressources naturelles et Faune	322.0	-	0.1	-	17.3	32.2	7.7	379.3
Revenu	797.9	-	-	-	-	-	0.1	798.0
Santé et Services sociaux	143.1	15,442.0	-	5,756.2	-	117.5	655.7	22,114.5
Sécurité publique	882.4	-	-	1.4	23.6	-	8.6	916.0
Services gouvernementaux	40.4	-	-	-	-	-	0.5	40.9
Tourisme	27.6	-	-	-	-	8.4	103.3	139.3
Transports	1,411.6	-	0.8	12.7	363.4	16.3	152.2	1,957.0
Travail	23.4	-	-	-	-	-	8.1	31.5
Anticipated Lapsed Appropriations	-	-	-	-	-	-	(150.0)	(150.0)
Carry-over Appropriations in 2007-2008	-	-	-	-	-	-	(72.2)	(72.2)
Total Expenditures	**6,804.5**	**15,500.6**	**12,392.2**	**9,541.2**	**1,822.9**	**1,121.9**	**3,689.7**	**50,873.0**

[1] Including individuals assistance and health professional

[2] Includes non-profit organizations, government corporations and agencies, expenditures accounted for in the special funds as well as anticipated lapsed appropriations and appropriations carried over in 2007-2008

CHAPTER 4

PUBLIC SERVICE STAFF LEVEL

IN BRIEF

- For the second consecutive year, the staff level reduction target was achieved.
  - — The public service staff level[1] stands at 73,290 FTEs[2] compared to 74,400 FTEs in 2004-2005, a decrease of 1,110 FTEs;
  - — In two years, the public service staff level has declined by 2,510 FTEs compared to the reduction target of 2,035 FTEs.
- The target for reducing the size of government in 2006-2007 is 1,211 FTEs.
- The authorized staff level envelopes forecast for departments and budget-funded agencies appearing in the 2006-2007 Expenditure Budget and for government corporations and extrabudgetary agencies whose personnel is subject to the Public Service Act (R.S.Q., c. F-3.1.1) have been adjusted in the same proportions as the reduction resulting from the non-replacement of one out of every two retirees on average during the 2005-2006 fiscal year.

[1] The public service sector is defined in Appendix 4.1 and other definitions are given in Appendix 4.2.

[2] This staff level excludes the impact of the strike days that occurred during the 2005-2006 fiscal year.

Towards Smaller Government

The Government announced in its 2004-2007 Modernisation Plan and reiterated in the Human Resources Management Plan for 2004-2007 its intention not to replace one out of every two retirees on average, which will reduce the number of public servants by 20% over a ten-year period beginning in 2004-2005.

For the 2005-2006 fiscal year, the reduction target was 1,109 FTEs utilized. This objective was achieved. The utilized staff level in 2005-2006 was 73,290 FTEs[1], a drop of 1,110 FTEs from the utilized staff level in 2004-2005.

Overall, the reduction achieved in the first two years of the plan to reduce the size of government was 2,510 FTEs versus the target of 2,035 FTEs, which represents an additional decrease of 475 FTEs.

In 2006-2007, the target for reducing the size of government is 1,211 FTEs, for a cumulative reduction of 3,721 FTEs.

Evolution in the Staff Level Forecast in the Human Resources Management Plan[2, 3]
(in FTEs utilized)

[1] This staff level excludes the impact of the strike days that occurred during the 2005-2006 fiscal year.

[2] These figures reflect the utilized staff level and are presented for each of the fiscal years in accordance with the 2005-2006 budget structure.

[3] Detailed tables presented in Appendices 4.3 and 4.4 include the utilized staff level over the past ten fiscal years and compare it to the total staff level envelope forecast.

Variations in the Authorized Staff Level Envelope

At each fiscal year, the Conseil du trésor determines an authorized staff level envelope for each department and budget-funded agency including, as necessary, special funds, as well as for government corporations and extrabudgetary agencies whose personnel is subject to the Public Service Act (R.S.Q., c. F-3.1.1).

Departments and Agencies Appearing in the 2006-2007 Expenditure Budget

The 2005-2006 comparative staff level appearing in the 2006-2007 Expenditure Budget is 59,418 FTEs, which is 840 FTEs more than the level forecast in the 2005-2006 Expenditure Budget. Most of this increase is divided between the following departments and agencies:

— 678 FTEs at the Sûreté du Québec, including the Police Services Fund, stemming mainly from adjustments following the police reorganization;

— 145 FTEs at the Ministère du Revenu, primarily to step up efforts to combat the underground economy and to revise the systems used to administer the G.S.T.

The envelope forecast for 2006-2007 is 56,813 FTEs, which is less than the 2005-2006 comparative level due to:

— Transfers of responsibilities mainly to the Centre de services partagés du Québec and Services Québec, and the change in status of the Régie du bâtiment du Québec into an extrabudgetary agency, for a total of 1,833 FTEs;

— The non-replacement of one out of every two retirees on average in 2005-2006 and other variations, for 772 FTEs.

Variation in the Authorized Staff Level Envelope for Departments and Agencies Appearing in the 2006-2007 Expenditure Budget[1]
(in FTEs)

Total staff level envelope forecast in the 2005-2006 Expenditure Budget[2]		58,578
PLUS:	Adjustments during the fiscal year	840
2005-2006 total staff level appearing in the 2006-2007 Expenditure Budget[3]		59,418
LESS:	Transfers involving extrabudgetary agencies and change in status of the Régie du bâtiment du Québec	(1,833)
	Retirements in 2005-2006 and other variations	(772)
Total Staff Level Envelope Forecast in 2006-2007[3]		**56,813**

[1] The breakdown by portfolio is presented in Appendix 4.5.

[2] These figures are presented in accordance with the 2005-2006 budget structure.

[3] These figures are presented in accordance with the 2006-2007 budget structure.

Government Corporations and Extrabudgetary Agencies Whose Personnel is Subject to the Public Service Act

The total staff level envelope forecast for government corporations and extrabudgetary agencies has increased by 1,624 FTEs since the beginning of 2005-2006 Expenditure Budget, due mainly to:

— An increase of 1,833 FTEs, largely resulting from transfers to new agencies, the Centre de services partagés du Québec and Services Québec, and the change in status of the Régie du bâtiment du Québec;

— A reduction of 209 FTEs, resulting from the non-replacement of one out of every two retirees on average in 2005-2006 and other variations.

Variation in the Authorized Staff Level Envelope for Government Corporations and Extrabudgetary Agencies Whose Personnel is Subject to the Public Service Act[1]
(in FTEs)

Total staff level envelope forecast for government corporations and extrabudgetary agencies when the 2005-2006 Expenditure Budget was tabled[2]		13,461
PLUS:	Transfers involving departments and agencies appearing in the Expenditure Budget and change in status of the Régie du bâtiment du Québec	1,833
LESS:	Retirements in 2005-2006 and other variations	(209)
		1,624
Total Staff Level Envelope Forecast in 2006-2007[3, 4]		**15,085**

[1] The breakdown by corporation and agency is presented in Appendix 4.6.

[2] These figures are presented in accordance with the 2005-2006 budget structure.

[3] These figures are presented in accordance with the 2006-2007 budget structure.

[4] This figure is an estimate.

Appendix 4.1

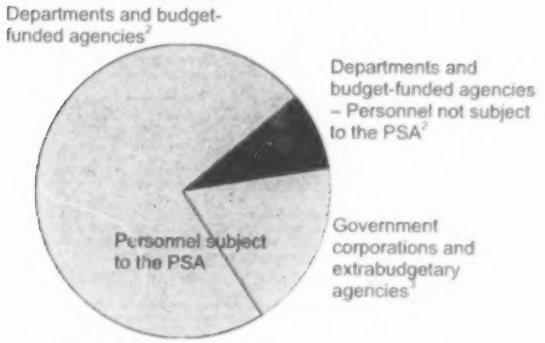
Public Service Staff Level

The public service staff level comprises the personnel working for government departments, agencies and corporations subject to the Public Service Act.

For certain budget-funded agencies, it also includes personnel not subject to the Public Service Act, such as Sûreté du Québec police officers, judges, Attorney General's prosecutors as well as personnel of the Commission des droits de la personne et des droits de la jeunesse, the Conseil des services essentiels and the Public Protector.

This staff level does not include students and interns.

Breakdown of the Public Service Staff Level Utilized in 2005-2006[1]
(in FTEs)


Departments and budget-funded agencies[2]
Departments and budget-funded agencies – Personnel not subject to the PSA[2]
Personnel subject to the PSA
Government corporations and extrabudgetary agencies[3]

	Subject to the PSA	Not subject to the PSA	Total
Departments and budget-funded agencies[2]	53,480	6,220	**59,700**
Government corporations and extrabudgetary agencies[3]	13,590	N/A	**13,590**
	67,070	**6,220**	**73,290**

[1] This staff level excludes the impact of the strike days that occurred during the 2005-2006 fiscal year.

[2] The utilized staff level for departments and budget-funded agencies includes the special funds and the G.S.T. Administration Account of the Ministère du Revenu.

[3] Includes government corporations, agencies performing fiduciary activities and extrabudgetary agencies whose personnel is subject to the Public Service Act.

Appendix 4.2

Definitions

Utilized staff level: Number of regular and casual employees, expressed in FTEs, who have actually been remunerated.

Total staff level envelope or Total authorized staff level forecast: Maximum number of permanent and casual employees, expressed in FTEs, who can be remunerated. The Conseil du trésor sets the annual authorized staff level envelope for each department, agency and, as necessary, special funds.

Full-time equivalent (FTE): An FTE represents the ratio between the work of an employee over the year and the work of an employee who has worked full-time over the year.

For example, the FTE of a person who occupies a full-time position and who worked for the full year is equivalent to 1. The FTE of a person who worked part time, reduced hours or for part of the year only varies between 0 and 1. Finally, the FTE of a person who was on unpaid leave of absence for the entire year is equal to 0.

Appendix 4.3

Evolution of the Staff Level of Departments and Agencies Appearing in the 2006-2007 Expenditure Budget[1]

(in FTEs)

	Total authorized staff level forecast[2]		Total utilized staff level	
	Level	Variation	Level	Variation
1995-1996	59,553		55,940	
1996-1997	56,630	(2,923)	54,436	(1,504)
1997-1998	54,365	(2,265)	52,614	(1,822)
1998-1999	55,120	755	54,390	1,776
1999-2000	55,223	103	54,923	533
2000-2001	56,144	921	55,587	664
2001-2002[3]	57,127	983	57,397	1,810
2002-2003[3]	58,205	1,078	61,082	3,685
2003-2004[3]	59,435	1,230	62,216	1,134
2004-2005[3]	59,316	(119)	60,645	(1,571)
2005-2006[3]	59,418[4]	102	59,700[5]	(945)

[1] These figures are presented in accordance with the 2005-2006 budget structure.

[2] The total authorized staff level forecast does not take into account the addition of non-recurring staff levels authorized during the fiscal year.

[3] The difference between the total utilized staff level and the total authorized staff level forecast is mainly due to management agreements and the use of leeway.

[4] The total authorized staff level forecast corresponds to the 2005-2006 comparative staff level shown in Volumes I and II of the 2006-2007 Expenditure Budget. This staff level is presented in accordance with the 2006-2007 budget structure.

[5] This staff level excludes the impact of the strike days that occurred during the 2005-2006 fiscal year.

Appendix 4.4

Evolution of the Staff Level of Government Corporations and Extrabudgetary Agencies Whose Personnel is Subject to the Public Service Act[1]

(in FTEs)

	Total authorized staff level forecast[2]		Total utilized staff level	
	Level	Variation	Level	Variation
1995-1996	11,824		11,392	
1996-1997	11,646	(178)	11,294	(98)
1997-1998	11,298	(348)	11,129	(165)
1998-1999	11,309	11	11,283	154
1999-2000[3]	11,642	333	11,749	466
2000-2001[3]	11,916	274	12,138	389
2001-2002[3]	11,977	61	12,476	338
2002-2003[3]	12,694	717	12,958	482
2003-2004[3]	13,258	564	13,584	626
2004-2005[3]	13,564	306	13,755	171
2005-2006	13,631	67	13,590[4]	(165)

[1] These figures are presented in accordance with the 2005-2006 budget structure.

[2] The total authorized staff level forecast takes into account the addition of non-recurring staff levels authorized during the fiscal year.

[3] The difference between the total utilized staff level and the total authorized staff level forecast is mainly due to management agreements, the use of leeway and the establishment of autonomous service units.

[4] This staff level excludes the impact of the strike days that occurred during the 2005-2006 fiscal year.

Appendix 4.5

Variation in the Authorized Staff Level Envelope for Departments and Agencies Appearing in the 2006-2007 Expenditure Budget[1]
(in FTEs)

	2005-2006 Expenditure Budget[2]	Variation	2005-2006 Comparative Staff Level[3]	Transfers Corporations and Other Agencies	Retirements in 2005-2006	Other Variation	2006-2007 Expenditure Budget[3, 4]
National Assembly	594	45	639	-	-	(5)	**634**
Persons Appointed by the National Assembly	576	39	615	-	-	-	**615**
Affaires municipales et Régions	768	55	823	-	(13)	-	**810**
Agriculture, Pêcheries et Alimentation	2,155	(19)	2,136	-	(34)	-	**2,102**
Conseil du trésor et Administration gouvernementale	661	(11)	650	(96)	(14)	-	**540**
Conseil exécutif	495	223	718	-	(3)	-	**715**
Culture et Communications	1,013	(128)	885	-	(9)	-	**876**
Développement durable, Environnement et Parcs	1,887	(27)	1,860	-	(30)	-	**1,830**
Développement économique, Innovation et Exportation	1,036	(93)	943	-	(21)	1	**923**
Éducation, Loisir et Sport	1,489	(15)	1,474	-	(29)	-	**1,445**
Emploi et Solidarité sociale	6,450	32	6,482	-	(112)	-	**6,370**
Famille, Aînés et Condition féminine	1,106	(20)	1,086	-	(15)	10	**1,081**
Finances	1,002	(210)	792	-	(12)	-	**780**
Immigration et Communautés culturelles	1,005	(7)	998	-	(15)	-	**983**
Justice	4,046	27	4,073	-	(52)	-	**4,021**
Relations internationales	582	(8)	574	-	(9)	-	**565**
Ressources naturelles et Faune	4,419	(11)	4,408	(6)	(94)	(8)	**4,300**
Revenu	8,545	415	8,960	-	(109)	-	**8,851**
Santé et Services sociaux	1,019	(43)	976	-	(15)	(10)	**951**
Sécurité publique	10,769	627	11,396	-	(61)	29	**11,364**
Services gouvernementaux	1,557	98	1,655	(1,305)	(4)	-	**346**
Tourisme	344	(5)	339	-	(4)	-	**335**
Transports	6,306	(33)	6,273	-	(113)	(15)	**6,145**
Travail	754	(91)	663	(426)	(6)	-	**231**
TOTAL	**58,578**	**840**	**59,418**	**(1,833)**	**(774)**	**2**	**56,813**

[1] The staff level includes the special funds and the G.S.T. Administration Account of the Ministère du Revenu.

[2] These figures are presented in accordance with the 2005-2006 budget structure.

[3] These figures are presented in accordance with the 2006-2007 budget structure.

[4] Other adjustments will be made to the authorized staff level for departments and agencies during 2006-2007 to fully reflect the staff level reduction target.

Appendix 4.6

Variation in the Authorized Staff Level Envelope for Government Corporations and Extrabudgetary Agencies Whose Personnel is Subject to the Public Service Act

(in FTEs)

	Upon tabling of the 2005-2006 Expenditure Budget[1]	Transfers d/a to the Expenditure Budget	Retirements in 2005-2006	Variation	**Upon tabling of the 2006-2007 Expenditure Budget [2]**
Affaires municipales et Régions					
Société d'habitation du Québec	365	-	(6)	-	**359**
Agriculture, Pêcheries et Alimentation					
Financière agricole du Québec	649	-	(8)	2	**643**
Conseil du trésor et Administration gouvernmentale					
Commission administrative des régimes de retraite et d'assurances	482	-	(7)	46	**521**
Culture et Communications					
Régie du cinéma	51	-	-	-	**51**
Éducation, Loisir et Sport					
Institut de tourisme et d'hôtellerie du Québec	241	-	(6)	-	**235**
Emploi et Solidarité sociale					
Conseil de gestion de l'assurance parentale	13	-	-	-	**13**
Régie des rentes du Québec	1,209	-	(19)	(4)	**1,186**
Finances					
Bureau de décision et de révision en valeurs mobilières	15	-	-	-	**15**
Institut de la statistique du Québec	237	6	(2)	1	**242**
Justice					
Office des professions du Québec	40	-	-	-	**40**
Tribunal administratif du Québec	272	-	(2)	-	**270**
Ressources naturelles et Faune					
Agence de l'efficacité énergétique	31	-	(1)	-	**30**
Santé et Services sociaux					
Régie de l'assurance maladie du Québec	1,459	-	(46)	65	**1,478**
Services gouvernementaux					
Centre de services partagés du Québec	-	1,103	(21)	(128)	**954**
Services Québec	-	298	(3)	-	**295**
Transports					
Société de l'assurance automobile du Québec	3,277	-	(42)	(3)	**3,232**
Travail					
Commissaire de l'industrie de la construction	11	-	-	-	**11**
Commission de la santé et de la sécurité du travail[3]	4,015	-	-	-	**4,015**
Commission des lésions professionnelles	440	-	(3)	-	**437**
Commission des normes du travail	533	-	(9)	(3)	**521**
Commission des relations du travail	121	-	(1)	-	**120**
Régie du bâtiment du Québec	-	426	(9)	-	**417**
TOTAL	**13,461**	**1,833**	**(185)**	**(24)**	**15,085**

[1] These figures are presented in accordance with the 2005-2006 budget structure.

[2] These figures are presented in accordance with the 2006-2007 budget structure.

[3] The total staff level envelope forecast for the CSST in 2006-2007 corresponds to the utilized staff level in 2005-2006.

CHAPTER 5

FORECAST PUBLIC INVESTMENTS IN FIXED ASSETS IN 2006-2007

IN BRIEF

- The government is continuing to increase public investments in preservation of fixed assets and plans to allocate $1,668.7 million in 2006-2007 to keep public infrastructure in good condition, including $1,097.3 million for the health and social services, education and culture networks and $571.4 million for the road network.

- An amount of $2,356.4 million will be allocated to the performance of new priority projects, mainly over the next three years, $1,479.3 million of which will go to public transportation, including $886.0 million for replacement of Métro cars put into service in the 60s, $484.9 million to the health and social service sector and $301.7 million to the education sector.

- In 2006-2007, the total public investments to be realized by the government is $4,724.9 million, namely:

  — $2,386.1 million for health and social service establishments, educational institutions, the municipal infrastructures, cultural institutions, research infrastructures, public transportation and the development of educational childcare services;

  — $1,469.4 million through special funds, primarily the Road Network Preservation and Improvement Fund;

  — $565.9 million through extrabudgetary agencies;

  — $303.5 million through departments and budget-funded agencies.

New Public Infrastructure Investments

In 2006-2007, the government will continue its efforts aimed at public infrastructure renewal and the implementation of new investment projects.

Priority Maintained Regarding Investments in Preservation of Fixed Assets

We should remember that during the period from 2001-2002 to 2004-2005, investments in preservation of fixed assets in the health and social service, education and cultural sectors amounted to $600.0 million per year, on the average.

In 2005-2006, the government proceeded with a major increase in the investments allocated to renewal of public infrastructure and improvement of the quality of services.

Particularly concerning the health and social service, education and cultural sectors, $1,097.3 million will be allocated in 2006-2007 to keep infrastructure in good condition. Investments will have almost doubled compared to the period from 2001-2002 to 2004-2005.

Including $571.4 million in preservation of fixed assets through work performed on the road network, $5,196.1 million will be allocated to the priority of keeping the public infrastructure in good condition over the next three years, including $1,668.7 million in 2006-2007.

Investments for the 2006-2009 Period to Ensure Maintenance of Public Infrastructure in Good Condition[1]
(government contribution only, in millions of dollars)

	Investment 2006-2007	Total 2006-2009
Educational institutions	606.5	1,919.5
Health and social service establishments	458.5	1,465.5
Cultural facilities and heritage	32.3	96.9
Subtotal	**1,097.3**	**3,481.9**
Road system infrastructure	571.4	1,714.2
Total	**1,668.7**	**5,196.1**

[1] Starting in 2006-2007, the Société de financement des infrastructures locales du Québec (SoFIL) will invest nearly $45.0 million in preservation of fixed assets for public transportation.

Additional Priority Development Projects

The government forecasts that its contribution to the implementation of priority public investment projects, mainly over the next three years, will total $2,356.4 million, namely:

— $1,479.3 million for public transportation infrastructure, particularly for the replacement of Métro cars put into service in the 60s ($886.0 million), for the renovation of the Montréal Métro and for commuter train projects. These investments include $163.3 million in funding from the Société de financement des infrastructures locales du Québec (SoFIL);

— $484.9 million for health and social service establishments, particularly to carry out construction and renovation projects on the establishments of that network. Investments will also be allocated to emergency room improvements and to the purchase of medical equipment, notably radiation oncology and cardiology equipment. Among other purpose, this contribution will make it possible to develop the Health Infoway, at an estimated aggregate cost of $547.0 million;

— $301.7 million for educational institutions, particularly for the conversion of science laboratories in the 2nd cycle at the secondary level;

— $195.6 million for research infrastructures, including projects selected under programs of the Canada Foundation for Innovation and the Research Support Program;

— $58.2 million for cultural facilities, particularly to accompany the government's partners in the development of religious heritage and cultural facilities.

Public Investments for New Development Projects
(government contribution only, in millions of dollars)

		Allocation by fiscal year		
	Total	2006-2007	2007-2008	Subsequent years
Public transportation	1,316.0[1]	56.5	202.1	1,057.4
Health and social service establishments	484.9	41.2	124.3	319.4
Educational institutions	301.7	53.8	197.9	50.0
Research infrastructures	195.6	71.3	89.1	35.2
Cultural facilities and heritage	58.2	33.6	12.4	12.2
Total	**2,356.4**	**256.4**	**625.8**	**1,474.2**

[1] Including an amount of $163.3 million funded by the Société de financement des infrastructures locales du Québec, the investments amount to $1,479.3 million.

Forecast Total Public Investments in 2006-2007

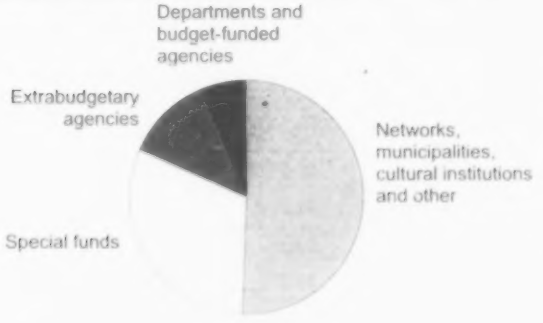
The contribution of the government to the public investments forecast in 2006-2007 amounts to $4.7 billion.

— The forecast investments in the health and social service sector, in the education networks and in municipalities, cultural institutions, educational childcare services, public transportation and the research sector represent a total of $2,386.1 million, or 50.5%;

— The forecast investments in special funds account for 31.1%, or $1,469.4 million, while those of extrabudgetary agencies are 12.0%, or $565.9 million and those of the departments represent 6.4%, or $303.5 million.

The evolution and type of public investments in fixed assets are respectively presented in Appendices 5.1 and 5.2.

Allocation of Public Investments Forecast in 2006-2007
(government contribution only)



	$M	%
Networks, municipalities, cultural institutions and other	2,386.1	50.5
Special funds	1,469.4	31.1
Extrabudgetary agencies[1]	565.9	12.0
Departments and budget-funded agencies[2]	303.5	6.4
Total	**4,724.9**	**100.0**

[1] Extrabudgetary agencies are public bodies for which the constituting act does not provide for appropriations for their operating budget.

[2] Departments and budget-funded agencies are those for which operating appropriations appear in the Expenditure Budget.

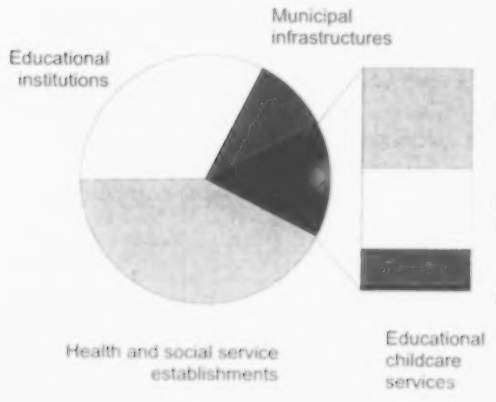
Government Investments in Networks, Municipalities, Cultural Institutions and Other

The forecast investments in networks, municipalities, cultural institutions and other entities not included in the government reporting entity amount to $2,386.1 million in 2006-2007.

Each year, the departments concerned submit three-year capital budget plans to the Conseil du trésor. These plans indicate the costs related to the completion of the projects authorized previously, asset preservation needs and the cost of new initiatives.

These investments are financed by means of long-term loans contracted by the networks, municipalities, cultural institutions and other entities outside the government reporting entity. The government's contribution takes the form of a total or partial assumption of their debt service, spread over a term of up to 25 years.

Public Investments in Networks, Municipalities and other Institutions Forecast in 2006-2007
(government contribution only, in millions of dollars)



	$M	%
Health and social service establishments	1,006.6	42.2
Educational institutions	784.0	32.8
Municipal infrastructures	241.0	10.1
Public transportation	162.1	6.8
Research infrastructures	129.3	5.4
Cultural facilities and heritage	58.6	2.5
Educational childcare services	4.5	0.2
	2,386.1	**100.0**

Health and social service establishments

In 2006-2007, the forecast aggregate investments in this sector amount to $1,006.6 million.

Moreover, total investments in preservation of fixed assets are $458.5 million in 2006-2007

Educational institutions

The forecast investments in this sector amount to $784.0 million in 2006-2007, compared to $860.4 million in 2005-2006. This decrease of $76.4 million is particularly explained by the end of certain projects, including those related to the different university faculties of medicine.

Municipal infrastructures

In 2006-2007, the forecast investments are $241.0 M, compared to $285.4 million in 2005-2006.

Starting in 2006-2007, the Société de financement des infrastructures locales du Québec (SoFIL) will invest in municipal infrastructures.

Public transportation

In 2006-2007, the forecast investments in this sector are $162.1 million, compared to $89.7 million in 2005-2006. This $72.4-million increase is particularly explained by the cost of work on Phase 2 of the renovation of the Montréal Métro and the development of reserved bus lanes within the territory of the Société de transport de Montréal.

These forecasts exclude the investments of the Agence métropolitaine de transport, which are discussed in the section on extrabudgetary agencies.

Research infrastructures

The forecast investments in 2006-2007 amount to $129.3 million, compared to $52.6 million last year. The Research Support Program and the projects jointly funded with the Canada Foundation for Innovation will benefit from these additional amounts.

Cultural facilities and heritage

The forecast investments in 2006-2007 are estimated at $58.6 million, compared to $57.8 million in 2005-2006. A recurring amount of $15.0 million per year is allocated to the Policy on Reading and Books.

These forecasts exclude the investments of government corporations reporting to the Minister of Culture and Communications, which are considered in the section of this chapter on extrabudgetary agencies.

Educational childcare services

In 2006-2007, the government is ending the development of new places in educational childcare services and forecasts investments of $4.5 million in this sector.

These investments will make it possible to complete the development of 200,000 places in reduced-contribution childcare services.

Public Investments in Networks, Municipalities and other Institutions
(government contribution only, in millions of dollars)

	Forecast disbursements 2006-2007	Probable disbursements 2005-2006	Variation
Health and social service establishments			
Preservation of fixed assets	458.5	408.6	49.9
Development projects	548.1	608.7	(60.6)
	1,006.6	1,017.3	(10.7)
Educational institutions			
Preservation of fixed assets	606.5	556.5	50.0
Development projects	177.5	303.9	(126.4)
	784.0	860.4	(76.4)
Municipal infrastructures[1]			
Development projects	241.0	285.4	(44.4)[1]
Public transportation[2]			
Development projects	162.1	89.7	72.4
Research infrastructures			
Development projects	129.3	52.6	76.7
Cultural facilities and heritage			
Preservation of fixed assets	15.0	15.0	—
Development projects	43.6	42.8	0.8
	58.6	57.8	0.8
Educational childcare services			
Development projects	4.5	45.7	(41.2)
Total	**2,386.1**	**2,408.9**	**(22.8)**

[1] Starting in 2006-2007, the Société de financement des infrastructures locales du Québec (SoFIL) will invest in municipal infrastructures.

[2] Starting in 2006-2007, the Société de financement des infrastructures locales du Québec (SoFIL) will invest in preservation of assets for public transportation, which will amount to nearly $45.0 million annually.

Public Investments in Special Funds

The forecast investments in special funds total $1,469.4 million in 2006-2007, compared to $1,317.7 million in 2005-2006, a variation of $151.7 million compared to the previous year.

— In 2006-2007, the forecast investments by the Road Network Preservation and Improvement Fund amount to $1,197.2 million compared to $1,088.2 million in 2005-2006. The investments of this fund correspond to work on preservation of roadways and structures and on improvement and development of the road network.

  - $571.4 million will be allocated to the rehabilitation of about 1,500 kilometres and interventions on 380 structures, $407.6 million to development of the road network translating into major work, particularly on Autoroutes 20 and 50 and on Highways 175 and 185 and, finally, $218.2 million to improvement of the road network, particularly with regard to safety.

— The forecast level of investments in the information technology funds in 2006-2007 is $121.6 million, slightly higher than in 2005-2006.

— The investments of the Land Information Fund amount to $44.8 million, an increase of $1.2 million in relation to 2005-2006.

— The forecast investments in the other special funds are higher than those of the previous year, growing from $66.3 million in 2005-2006 to $105.8 million in 2006-2007, for a net increase of $39.5 million. This is explained, in particular, by a $14.3-million increase in the Police Services Fund of the Ministère de la Sécurité publique for the purchase of equipment.

Investments in Special Funds
(government contribution only, in millions of dollars)

	Forecast disbursements 2006-2007	Probable disbursements 2005-2006	Variation
Road Network Preservation and Improvement Fund[1]	1,197.2	1,088.2	109.0
Information Technology Funds	121.6	119.6	2.0
Land Information Fund	44.8	43.6	1.2
Other special funds	105.8	66.3	39.5
Total	**1,469.4**	**1,317.7**	**151.7**

[1] The total amount of investments of the Road Network Preservation and Improvement Fund for 2006-2007 amounts to $1,300.0 million, including non-capitalizable expenditures of $102.8 million, compared to $1,200.0 million in 2005-2006, including non-capitalizable expenditures of $111.7 million.

Contribution of the Government to Public Investments of Extrabudgetary Agencies

The investment forecasts of the extrabudgetary agencies total $565.9 million in 2006-2007 compared to $590.9 million in 2005-2006, for a decrease of $25.0 million.

The agencies making the biggest investments in 2006-2007 are the Agence métropolitaine de transport with $220.0 million, the Société immobilière du Québec with $134.1 million, the Centre de services partagés du Québec with $76.4 million and the government corporations in the cultural field with $22.8 million.

Investments in Extrabudgetary Agencies
(in millions of dollars)

	Forecast disbursements 2006-2007	Probable disbursements 2005-2006	Variation
Agence métropolitaine de transport	220.0	220.0	—
Société immobilière du Québec[1]	134.1	150.5	(16.4)
Centre de services partagés du Québec[2]	76.4	100.0	(23.6)
Government corporations in the cultural field	22.8	27.6	(4.8)
Other agencies	112.6	92.8	19.8
Total	**565.9**	**590.9**	**(25.0)**

[1] The amounts indicated account for work in progress.

[2] The Centre de services partagés du Québec began its operations in December 2005. Until then its mission came under the Ministère des Services gouvernementaux. For purposes of year-to-year comparison, the investments made in 2005-2006 in connection with this mission are discussed in this section.

Public Investments in the Departments

The forecast public investments in the departments amount to $303.5 million in 2006-2007, compared to $328.9 million in 2005-2006:

— "Transports": investments of $45.4 million, mainly for the acquisition of material and equipment;

— "Sécurité publique": investments of $31.9 million, $10.4 million of which is allocated to the operations of the Sûreté du Québec, particularly to renew the motor vehicle fleet;

— "Éducation, Loisir et Sport": investments of $31.6 million, allocated, in particular, to informational resources projects;

— "Ressources naturelles et Faune": investments of $30.6 million, allocated, in particular, to preservation of fixed assets;

— "Développement durable, Environnement et Parcs": investments of $24.2 million, nearly half of which is allocated to repair work on public dams;

— "Services gouvernementaux": investments of $22.1 million, mainly attributable to the development of projects related to e-Government.

Public Investments in the Departments
(in millions of dollars)

	Forecast disbursements 2006-2007	Probable disbursements 2005-2006	Variation
Transports	45.4	44.1	1.3
Sécurité publique	31.9	33.1	(1.2)
Éducation, Loisir et Sport	31.6	40.4	(8.8)
Ressources naturelles et Faune	30.6	38.2	(7.6)
Développement durable, Environnement et Parcs	24.2	22.8	1.4
Services gouvernementaux	22.1	25.2	(3.1)
Other departments	117.7	125.1	(7.4)
Total	**303.5**	**328.9**	**(25.4)**

Appendix 5.1

Evolution of Public Investments

Public investments grew from $3,174.7 million in 2001-2002 to $4,646.4 million in 2005-2006.

In 2006-2007, the forecast growth is 1.7%, or $78.5 million, the result of the increase in investments in preservation of fixed assets begun in 2005-2006 and the implementation of priority projects that represent total investments of near $2.4 billion.

Evolution of Public Investments
(government contribution only, in millions of dollars)

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Networks, municipalities, cultural institutions and other	1,675.3	1,895.4	2,181.9	2,290.4	2,408.9	2,386.1
Special funds	1,060.0	1,576.2	1,128.6	1,156.8	1,317.7	1,469.4
Extrabudgetary agencies	264.7	681.7	420.5	472.6	590.9	565.9
Departments	174.7	237.6	334.5	306.3	328.9	303.5
Total	**3,174.7**	**4,390.9**	**4,065.5**	**4,226.1**	**4,646.4**	**4,724.9**

Appendix 5.2

Nature of the Investments Considered in this Chapter

The data on public investments presented in this chapter are divided into four categories:

— Investments made by entities outside the government reporting entity but which depend on government financial assistance: the health and social service network, the education networks, municipalities, non-governmental institutions, generally in the cultural field, such as libraries, museums and concert halls, or in the area of preservation of religious heritage, dioceses, parish councils or religious communities, the development of educational childcare services; the research sector and, finally, the public transportation sector.

- Investments made by school boards, CEGEPs and universities mainly concern the expansion, renovation, rehabilitation and construction of schools or teaching facilities and the acquisition of furniture, equipment and apparatus required for the operation of the buildings.

- Investments made in the health and social service network concern the construction, expansion, renovation and rehabilitation of hospitals, long-term care centres, rehabilitation centres and CLSCs, acquisition of furniture and medical and non-medical equipment, and development and purchasing of computer systems.

- Investments in municipal infrastructures mainly concern construction, rehabilitation or expansion of infrastructures, urban renewal of neighbourhoods and beautification of village cores. Also included are construction of sewage treatment plants and sewage interceptors and rehabilitation of sewer systems leading to sewage treatment plants, as well as aqueduct and sewer projects. These investments include the Canada-Québec Infrastructure Program and the Québec-Municipalities Infrastructure Works Program, intended to enable municipalities to replace or improve water and sewer infrastructure.

- Investments in public transportation correspond, among other purposes, to the purchase of urban buses, work relating to Métro infrastructure maintenance, including rehabilitation of stations and replacement of escalators, development of reserved bus lanes and incentive parking lots, and maintenance and development of commuter trains.

- Fixed asset projects for which the debt service is subsidized by the Ministère de la Culture et des Communications particularly include construction, expansion and renovation projects for public libraries, concert halls, archive centres, museums and performing arts centres, religious heritage rehabilitation and preservation projects, and projects related to the Policy on Reading and Books.

- Research infrastructures concern investments relating to infrastructure development in the fields of research, science, technology and innovation. These capital investments are particularly made in the health and postsecondary education sectors and in research centres.

- Investments relating to educational childcare services seek to develop and promote access to quality educational childcare services.

— Investments by the various special funds administered by the departments, a substantial portion of which concerns the road network.

— Investments by government agencies not appearing in Volume II of the 2006-2007 Expenditure Budget but whose financial statements are consolidated with those of the government. These are capital investments of extrabudgetary agencies, such as government corporations in the cultural field and the Agence métropolitaine de transport.

— Investments in the departments allocated to their capital appropriations.

The investments of government corporations are not discussed in this chapter.

CHAPTER 6

RESULTS OF CONSOLIDATED ENTITIES

IN BRIEF

- The government's total expenditures for the 2006-2007 fiscal year will be $58,078.0 million before consolidation.
- Consolidation of the consolidated entities, i.e. expenditures of extrabudgetary agencies, special funds and defined-purpose accounts, will add $3,637.9 million to the government's expenditures, resulting in total consolidated expenditures of $61,715.9 million.
- When the consolidated revenues of $3,814.9 million are considered, consolidation of the results of consolidated entities has a positive net impact of $177.0 million on the government's results for the fiscal year 2006-2007.

Consolidated Government Expenditures

Consolidated government expenditures will total $61,715.9 million in 2006-2007. This includes program spending and debt service as well as the impact of consolidation of expenditures of extrabudgetary agencies, special funds and defined-purpose accounts.

For 2006-2007 the impact of consolidation of expenditures of consolidated entities will be $3,637.9 million, $3,245.0 million of which is for consolidation expenditures of extra-budgetary agencies and special funds, and $392.9 million is for expenditures of defined-purpose accounts.

Consolidated government expenditures for the 2006-2007 fiscal year are $2,541.1 million higher than those forecast for 2005-2006, due in particular to:

— A $1,933.0-million increase in program spending;

— A $356.0-million increase in debt service;

— A $458.0-million increase in consolidated expenditures for extra-budgetary agencies and special funds;

— A $205.9-million reduction in consolidated expenditures for defined-purpose accounts.

The government's primary accounting policies with regard to consolidation of the extrabudgetary agencies, special funds and defined-purpose accounts are presented in Appendix 6.1.

Consolidated Government Expenditures
(in millions of dollars)

	2006-2007	2005-2006	**Variation**
Program spending	50,873.0	48,940.0	1,933.0
Debt Service	7,205.0	6,849.0	356.0
Total Expenditures	**58,078.0**	**55,789.0**	**2,289.0**
Expenditures of extrabudgetary agencies and special funds	3,245.0	2,787.0	458.0
Expenditures of defined-purpose accounts	392.9	598.8	(205.9)
Total impact of consolidation	**3,637.9**	**3,385.8**	**252.1**
Consolidated expenditures	**61,715.9**	**59,174.8**	**2,541.1**

Evolution of Forecast Results of Consolidated Entities in 2005-2006

Since the 2005-2006 Expenditure Budget was tabled, the results forecast before consolidation adjustments which are made in order to avoid accounting twice for the expenditures of consolidated entities and departments and organizations were revised upward by $312.3 million, going from a $11.0-million deficit to a $301.3-million surplus.

The net forecast results, after consolidation adjustments, are $341.0 million compared to the $267.0 million forecast in the 2005-2006 Expenditure Budget, a net variation of $74.0 million.

The increase of net results of extrabudgetary agencies and special funds comes to $269.2 million, mainly:

— $138.6 million for Investissement Quebec, primarily due to a $133.0-million gain from selling its shares in the Québec-Cartier Mining Company;

— $49.5 million for the Société de financement des infrastructures locales du Québec since the timeline for works was revised;

— $20.3 million for the Land Information Fund, largely due to the reform of the Québec cadastral system and good performance by the real estate market.

For defined-purpose accounts, the 2005-2006 forecast shows a surplus of $24.1 million compared to a forecast deficit of $19.0 million at the beginning of the 2005-2006 fiscal year; this is an improvement of $43.1 million. The effect of consolidation adjustments is to balance the budget for defined-purpose accounts.

Evolution of Forecast Results of Cconsolidated Entities
(in millions of dollars)

	2005-2006		
	Revised forecasts	Expenditure Budget	Variation
Special funds	45.7	16.7	29.0
Extrabudgetary Agencies	231.5	(8.7)	240.2
Sub-total	**277.2**	**8.0**	**269.2**
Defined-purpose accounts	24.1	(19.0)	43.1
Total before consolidation	**301.3**	**(11.0)**	**312.3**
Consolidation adjustments	39.7	278.0	(238.3)
Impact of consolidation	**341.0**	**267.0**	**74.0**

Impact of Consolidation of Revenues and Expenditures of Consolidated Entities in 2006-2007

Gross revenues and expenditures of consolidated entities in 2006-2007 are $18,912.6 million and $19,041.5 million respectively before consolidation adjustments. After adjustments, their impact on the government's 2006-2007 revenues and expenditures are $3,814.9 million and $3,637.9 million respectively.

The overall net impact of consolidation of the results of consolidated entities on the government's results is $177.0 million in 2006-2007, compared to $341.0 million for 2005-2006. This decrease of $164.0 million is due primarily to the non-recurring exceptional gain of $138.6 million realized by Investissement Québec in 2005-2006 from selling its shares in the Québec-Cartier Mining Company.

Changes to extrabudgetary agencies, special funds and defined-purpose accounts are presented in Appendix 6.2.

Results from extrabudgetary agencies, special funds and defined-purpose accounts are presented in Appendix 6.3, 6.4 and 6.5 respectively, using their own particular accounting policies, i.e. before applying consolidation adjustments.

Impact of Consolidation of Consolidated Entities on the Government's Results in 2006-2007
(in millions of dollars)

	2006-2007			2005-2006	
	Revenues	**Expenditures**	**Results**	'Probable Results	**Variation**
Extrabudgetary Agencies	11,737.3	11,815.0	(77.7)	231.5	(309.2)
Special funds	6,580.4	6,581.6	(1.2)	45.7	(46.9)
Defined-purpose accounts	594.9	644.9	(50.0)	24.1	(74.1)
Total before consolidation	**18,912.6**	**19,041.5**	**(128.9)**	**301.3**	**(430.2)**
Consolidation adjustments	(15,097.7)	(15,403.6)	305.9	39.7	266.2
Impact of consolidation	**3,814.9**	**3,637.9**	**177.0**	**341.0**	**(164.0)**

Results of Extrabudgetary Agencies in 2006-2007

In 2006-2007, forecast results of extrabudgetary agencies before consolidation adjustments represent a deficit of $77.7 million, compared to a surplus of $231.5 million in 2005-2006, or a decrease of $309.2 million. This variation can largely be explained by the following factors:

— Investissement Québec presents a surplus of $15.8 million for fiscal 2006-2007, compared to a surplus of $163.4 million for the previous fiscal year, which represents a decrease of $147.6 million.

- This variation is mainly due to gains from selling its shares in the Québec-Cartier Mining Company in 2005-2006.

— The Société de financement des infrastructures locales du Québec forecasts a $56.0-million deficit in 2006-2007, compared to a $37.3-million surplus in 2005-2006, a decrease of $93.3 million.

- This variation is the result of postponing certain works in 2006-2007.

Results of Extrabudgetary Agencies in 2006-2007
(in millions of dollars)

	2006-2007			2005-2006	
	Revenues	**Expenditures**	**Results**	Probable Results	**Variation**
Investissement Québec	241.8	226.0	15.8	163.4	(147.6)
Société de financement des infrastructures locales du Québec	537.1	593.1	(56.0)	37.3	(93.3)
Other agencies	10,958.4	10,995.9	(37.5)	30.8	(68.3)
Total before consolidation	**11,737.3**	**11,815.0**	**(77.7)**	**231.5**	**(309.2)**

Results of Special Funds in 2006-2007

In 2006-2007, forecast results of special funds before consolidation adjustments anticipate a $1.2 million deficit in the 2006-2007 fiscal year, compared to a $45.7 million surplus in 2005-2006, a decrease of $46.9 million.

The main reason for this variation is that the Land Information Fund anticipates a $8.4-million surplus for the 2006-2007 fiscal year, compared to a surplus of $30.6 million in 2005-2006, a decrease of $22.2 million.

— The decrease in the Land Information Fund's surplus in 2006-2007 is explained by the expected drop in revenues from real estate activity, and the growth in expenditures due to higher costs of professional services and amortization expenses related to Québec cadastral system reform and the Enregistrement des droits d'intervention et de la tenure project.

- This Fund's surplus in 2005-2006 was largely due to the reform of the Québec cadastral system, as well as good performance by the real estate market.

Results of Special Funds in 2006-2007
(in millions of dollars)

	2006-2007			2005-2006	
	Revenues	**Expenditures**	**Results**	Probable Results	**Variation**
Land Information Fund	107.1	98.7	8.4	30.6	(22.2)
Other special funds	6,473.3	6,482.9	(9.6)	15.1	(24.7)
Total before consolidation	**6,580.4**	**6,581.6**	**(1.2)**	**45.7**	**(46.9)**

Results of Defined-Purpose Accounts in 2006-2007

Defined-purpose accounts indicate a $50.0-million deficit in the 2006-2007 fiscal year, compared to a $24.1-million surplus in 2005-2006, a decrease of $74.1 million.

The variation is mainly due to the fact that two accounts presenting surpluses in 2005-2006 now forecast a deficit in 2006-2007.

— The defined-purpose account for financing the Youth Action Strategy forecasts a surplus of $7.4 million in 2005-2006 and a deficit of $32.4 million in 2006-2007.

  - A new Youth Action Strategy will be tabled in 2006-2007. The strategy will be financed by accrued surpluses in the account.

— The defined-purpose account for Minority-language and second-language teaching forecasts a surplus of $21.3 million in 2005-2006 and a deficit of $9.6 million in 2006-2007. The 2006-2007 forecast deficit for this account will be financed out of its accrued surpluses.

Results of Defined-Purpose Accounts in 2006-2007[1]
(in millions of dollars)

	2006-2007			2005-2006	
	Revenues	**Expenditures**	**Results**	Probable Results	**Variation**
Financing the Youth Action Strategy	-	32.4	(32.4)	7.4	(39.8)
Minority-language and second-language teaching	26.5	36.1	(9.6)	21.3	(30.9)
Other defined-purpose accounts	568.4	576.4	(8.0)	(4.6)	(3.4)
Total before consolidation	**594.9**	**644.9**	**(50.0)**	**24.1**	**(74.1)**

[1] As a result of consolidation adjustments, defined-purposes accounts will end up with balanced budgets.

Appendix 6.1

The Government's Reporting Entity

Consolidated government expenditures include, in addition to program spending and the debt service, expenditures incurred by extrabudgetary agencies, special funds and defined-purpose accounts.

Expenditures of the consolidated entities are added to those of the government after eliminating inter-entity transactions and harmonizing accounting policies, when necessary.

There are two kinds of consolidation adjustments:

— The first consists of eliminating concluded inter-entity transactions. These eliminations are necessary to avoid accounting for the same expenditure twice at the time of consolidation;

— The second type of adjustment results from harmonization of the accounting policies of extrabudgetary agencies and special funds with those of the government.

The purpose of consolidation is to combine all financial transactions and resources for which the government is responsible. This provides a comprehensive picture of government finances.

The government reporting entity encompasses not only the departments and agencies headed by a Minister and having budgets funded by appropriations voted by the National Assembly, but also all of the extrabudgetary agencies, special funds, defined-purpose accounts and corporations that are owned or controlled by the government.

Two methods of consolidation are used, depending on the type of entity involved:

— The first method, known as the full consolidation method, consists of adding up the accounts of the departments, extrabudgetary agencies, special funds and defined-purpose accounts line by line. This incorporates their financial transactions, such as the expenditures and debt of agencies, into the government's financial statements. This is the method used for entities listed in Appendix 6.3, 6.4 and 6.5;

— The second method, known as the modified equity method, applies to government corporations. It consists of adding the net results of these corporations (surplus or deficit) to the government's revenue. This method applies to the entities appearing in Appendix 6.6.

Full Consolidation Method

Three groups must be distinguished among the entities consolidated line by line: extrabudgetary agencies, special funds and defined-purpose accounts.

The government has created different types of agencies to implement its policies and to provide certain services to the public. While varying in size and status, these agencies, like boards, commissions and corporations, are all more autonomous than departments. The legislation delegates more extensive financial and operating powers to their management. These agencies have more latitude to establish their systems and practices. They can also resort to sources of financing outside the government. However, they come under the authority of a Minister, to whom they must account for all of their financial management.

Special funds are financial management tools that make it possible, in some situations, to administer the allocated resources by using management methods different from those of the departments. Some funds produce and supply goods or services and derive all or part of their financing from the sale of such goods and services.

— Extrabudgetary agencies and special funds depend on departments for their funding. This is why budgeting and management of the departmental budget envelopes consider the extrabudgetary agencies, the special funds and the department of the same portfolio, all at the same time. More specifically, the departmental budget envelopes are composed of:

  - The expenditures envelope prescribed in Volume II of the Expenditure Budget dealing with appropriations of the departments and agencies;

  - The net result of the extrabudgetary agencies and special funds, namely the difference between their revenue and expenditure.

A defined-purpose account is a financial management mechanism created by Order in Council under articles 6 and 7 of the Financial Administration Act (R.S.Q., c. A-6.001). It allows a department to make separate entries for amounts paid by third parties into the Consolidated Revenue Fund pursuant to a contract or agreement that dedicates the money to a particular purpose.

— Financial transactions that pass through a defined-purpose account are governed by all of the regulations, policies and directives applicable to transactions effected from a department's appropriations. In addition, expenditures of defined-purpose accounts are subject to audit by the Auditor General.

— Revenues and expenditures for defined-purpose accounts have been included in the government's consolidated financial statements since the 2003-2004 fiscal year.

It is up to each Minister to ensure that the financial situation of the consolidated entities under his or her responsibility do not have a negative impact on the government's financial results.

Modified Equity Method

Consolidation of the results of government corporations is considered only in the documents accompanying the Budget Speech because the results of government corporations are considered in the balancing of the government's budget.

It is important to note that health and social service establishments, educational institutions and property held by agencies performing fiduciary activities (Appendix 6.7) are not included in the government reporting entity.

Appendix 6.2

Changes to Consolidated Entities

Extrabudgetary agencies and special funds:

Compared to the 2005-2006 fiscal year, certain extrabudgetary agencies and special funds were added, or moved to new portfolios, while others changed names or are no longer included in the Expenditure Budget.

A plus sign (+) indicates that an extrabudgetary agency or a special fund has been added, while a minus sign (-) indicates that an extrabudgetary agency or a special fund has been taken away.

Culture et Communications

The Bibliothèque nationale du Québec will now be known as Bibliothèque et Archives nationales du Québec.

Développement économique, Innovation et Exportation

(-) The Société de développement de la Zone de commerce international de Montréal à Mirabel ceased operations on December 13, 2005.

Services gouvernementaux

(+) The Centre de services partagés du Québec and Services Québec have been added to this portfolio.

(+) The Fonds du service aérien gouvernemental has been incorporated into the « Services gouvernementaux ».

(-) The Fonds des services gouvernementaux, all except for the Fonds du service aérien gouvernemental, has been merged with the Centre de services partagés du Québec.

(-) The Fonds de l'information gouvernementale has been merged with the Centre des services partagés du Québec.

Travail

(+) The status of the Régie du bâtiment du Québec, formerly a budget-funded agency, was changed by law on December 1, 2005. It has now become an extrabudgetary agency.

Defined-purpose accounts:

Three new applications to the general account "Training, Partnership and Organization of Special events", have been approved: Conseil exécutif, Famille, Aînés et Condition féminine and Transports.

Appendix 6.3

Results of Extrabudgetary Agencies

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Affaires municipales et Régions				
Société d'habitation du Québec	651.8	651.8	-	-
Société québécoise d'assainissement des eaux	151.6	151.6	-	(0.2)
	803.4	803.4	-	(0.2)
Agriculture, Pêcheries et Alimentation				
Bureau d'accréditation des pêcheurs et des aides-pêcheurs du Québec	0.2	0.2	-	-
Financière agricole du Québec	492.6	525.6	(33.0)	(38.2)
Fonds d'assurance-prêts agricoles et forestiers	19.4	9.2	10.2	21.7
	512.2	535.0	(22.8)	(16.5)
Conseil du trésor et Administration gouvernementale				
Agence des partenariats public-privé du Québec	7.1	7.1	-	0.1
	7.1	7.1	-	0.1
Culture et Communications				
Bibliothèque et Archives nationales du Québec	81.2	84.4	(3.2)	1.7
Commission de reconnaissance des associations d'artistes et des associations de producteurs	0.7	0.7	-	-
Conseil des arts et des lettres du Québec	78.1	78.2	(0.1)	-
Musée d'art contemporain de Montréal	9.2	9.4	(0.2)	-
Musée de la civilisation	27.2	27.9	(0.7)	(0.3)
Musée national des beaux-arts du Québec	16.3	16.7	(0.4)	(0.4)
Régie du cinéma	14.2	4.6	9.6	11.0
Société de développement des entreprises culturelles	55.0	56.0	(1.0)	(0.4)
Société de la Place des Arts de Montréal	31.8	32.0	(0.2)	0.7
Société de télédiffusion du Québec	73.0	81.2	(8.2)	(8.9)
Société du Grand Théâtre de Québec	9.3	9.3	-	-
	396.0	400.4	(4.4)	3.4
Développement durable, Environnement et Parcs				
Société québécoise de récupération et de recyclage	59.1	60.8	(1.7)	-
	59.1	60.8	(1.7)	-
Développement économique, Innovation et Exportation				
Centre de recherche industrielle du Québec	29.8	32.5	(2.7)	-
Fonds de la recherche en santé du Québec	85.2	86.6	(1.4)	(0.4)
Fonds québécois de la recherche sur la nature et les technologies	41.9	42.8	(0.9)	0.5
Fonds québécois de la recherche sur la société et la culture	47.4	49.1	(1.7)	(1.0)
Investissement Québec	241.8	226.0	15.8	163.4
Société du parc industriel et portuaire de Bécancour	5.5	6.3	(0.8)	(0.4)
	451.6	443.3	8.3	162.1

Appendix 6.3

Results of Extrabudgetary Agencies

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Éducation, Loisir et Sport				
Institut de tourisme et d'hôtellerie du Québec	27.8	28.2	(0.4)	(0.2)
	27.8	28.2	(0.4)	(0.2)
Emploi et Solidarité sociale				
Cree Hunters and Trappers Income Security Board	21.2	21.2	-	-
	21.2	21.2	-	-
Finances				
Autorité des marchés financiers	93.4	72.7	20.7	29.4
Bureau de décision et de révision en valeurs mobilières	2.2	2.2	-	(0.3)
Institut de la statistique du Québec	23.2	23.0	0.2	(0.5)
Société de financement des infrastructures locales du Québec	537.1	593.1	(56.0)	37.3
	655.9	691.0	(35.1)	65.9
Justice				
Commission des services juridiques	134.5	134.5	-	(2.1)
Fonds d'aide aux recours collectifs	1.1	1.7	(0.6)	0.5
Office des professions du Québec	5.5	6.5	(1.0)	-
Société québécoise d'information juridique	13.4	13.4	-	0.8
Tribunal administratif du Québec	27.4	28.6	(1.2)	1.3
	181.9	184.7	(2.8)	0.5
Relations internationales				
Office Québec-Amériques pour la jeunesse	2.4	2.4	-	(0.1)
	2.4	2.4	-	(0.1)
Ressources naturelles et Faune				
Agence de l'efficacité énergétique	16.7	18.0	(1.3)	-
Fondation de la faune du Québec	5.0	5.0	-	(0.4)
Régie de l'énergie	9.0	9.4	(0.4)	(0.3)
Société nationale de l'amiante	-	0.5	(0.5)	(0.5)
	30.7	32.9	(2.2)	(1.2)
Santé et Services sociaux				
Corporation d'urgences-santé	84.5	84.5	-	-
Héma-Québec	262.8	262.8	-	-
Institut national de santé publique du Québec	28.9	28.9	-	-
Régie de l'assurance maladie du Québec	6,640.9	6,640.9	-	-
	7,017.1	7,017.1	-	-
Sécurité publique				
École nationale de police du Québec	26.1	26.3	(0.2)	0.2
École nationale des pompiers du Québec	1.8	1.9	(0.1)	(0.2)
	27.9	28.2	(0.3)	-

Appendix 6.3

Results of Extrabudgetary Agencies
(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Services gouvernementaux				
Centre de services partagés du Québec	276.9	291.7	(14.8)	0.6
Services Québec	46.5	46.5	-	-
Société immobilière du Québec	600.4	600.4	-	8.6
	923.8	938.6	(14.8)	9.2
Tourisme				
Régie des installations olympiques*	52.1	52.1	-	(0.6)
Société du Centre des congrès de Québec	20.7	21.0	(0.3)	(0.1)
Société du Palais des congrès de Montréal	56.3	56.3	-	4.5
	129.1	129.4	(0.3)	3.8
Transports				
Agence métropolitaine de transport*	245.5	245.5	-	-
Commission de la capitale nationale du Québec	13.9	15.3	(1.4)	0.3
Société des traversiers du Québec	64.3	65.0	(0.7)	(0.7)
	323.7	325.8	(2.1)	(0.4)
Travail				
Commissaire de l'industrie de la construction	1.1	1.3	(0.2)	(0.1)
Commission des lésions professionnelles	52.9	54.3	(1.4)	2.9
Commission des normes du travail	54.8	56.0	(1.2)	0.4
Commission des relations du travail	15.0	15.0	-	(0.6)
Régie du bâtiment du Québec	42.8	39.0	3.8	1.9
	166.6	165.6	1.0	4.5
Total	**11,737.3**	**11,815.0**	**(77.7)**	**231.5**
Consolidation adjustments	(9,605.0)	(9,861.7)	256.7	66.4
Impact of consolidation	**2,132.3**	**1,953.3**	**179.0**	**297.9**

* Forecast data correspond to the agency's operating fund.

Note 1: Figures are rounded and the sum of the amounts recorded in respect of each consolidated entities may not correspond to the total.

Note 2: The results of consolidated entities are presented according to their own accounting policies, i.e. before consolidation adjustments.

Appendix 6.4

Results of Special Funds

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Affaires municipales et Régions				
Regional Development Fund	41.6	41.6	-	-
	41.6	41.6	-	-
Conseil du trésor et Administration gouvernementale				
Disaster Assistance Fund for Certain Areas Affected by the Torrential Rains	3.8	3.8	-	-
Information Technology Fund of the Conseil du trésor	1.4	1.4	-	-
Fund in respect of the Ice Storm	27.9	27.9	-	-
	33.1	33.1	-	-
Emploi et Solidarité sociale				
Assistance Fund for Independent Community Action	23.1	23.9	(0.8)	(0.1)
Labour Market Development Fund	964.0	979.0	(15.0)	(0.9)
Information Technology Fund of the Ministère de l'Emploi et de la Solidarité sociale	34.2	34.2	-	-
Fonds québécois d'initiatives sociales	5.7	7.6	(1.9)	(4.5)
	1,027.0	1,044.7	(17.7)	(5.5)
Finances				
Financing Fund	549.4	536.3	13.1	15.7
Horse-Racing Industry Fund	12.5	12.5	-	-
Fonds du centre financier de Montréal	1.3	1.2	0.1	(0.3)
Special Olympic Fund	33.0	33.0	-	-
	596.2	583.0	13.2	15.4
Justice				
Fonds d'aide aux victimes d'actes criminels	12.6	12.6	-	4.5
Civil Status Fund	14.2	17.7	(3.5)	(0.7)
Register Fund of the Ministère de la Justice	29.4	24.4	5.0	5.5
	56.2	54.7	1.5	9.3
Relations internationales				
Fund for the Management of Québec Immovables on Foreign Soil	11.5	11.5	-	-
	11.5	11.5	-	-
Ressources naturelles et Faune				
Land Information Fund	107.1	98.7	8.4	30.6
Geographic Information Fund	1.7	1.8	(0.1)	0.1
Forestry Fund	348.2	352.7	(4.5)	0.4
	457.0	453.2	3.8	31.1

Appendix 6.4

Results of Special Funds
(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Revenu				
Ministère du Revenu Fund for the Supply of Property and Services	13.3	13.3	-	-
Collection Fund	80.7	84.0	(3.3)	(1.8)
Fonds des pensions alimentaires*	41.7	41.7	-	-
Information Technology Fund of the Ministère du Revenu	43.9	43.9	-	-
	179.6	182.9	(3.3)	(1.8)
Santé et Services sociaux				
Prescription Drug Insurance Fund	2,605.4	2,605.4	-	-
	2,605.4	2,605.4	-	-
Sécurité publique				
Police Services Fund	415.2	415.2	-	-
	415.2	415.2	-	-
Services gouvernementaux				
Fonds du service aérien gouvernemental	61.1	59.5	1.6	1.6
	61.1	59.5	1.6	1.6
Tourisme				
Tourism Partnership Fund	110.6	111.1	(0.5)	(4.3)
	110.6	111.1	(0.5)	(4.3)
Transports				
Road Network Preservation and Improvement Fund	831.3	831.3	-	-
Rolling Stock Management Fund	76.9	76.9	-	(0.4)
Fund for the Contribution of Motorists to Public Transit	68.8	68.8	-	-
Fund for the Sale of Goods and Services of the Ministère des Transports	8.8	8.8	-	-
	985.8	985.8	-	(0.4)
Total	**6,580.4**	**6,581.6**	**(1.2)**	**45.7**
Consolidation adjustments	(5,290.7)	(5,289.9)	(0.8)	(2.6)
Impact of consolidation	**1,289.7**	**1,291.7**	**(2.0)**	**43.1**

* This fund also performs fiduciary activities outside of the government reporting entity.

Note 1: Figures are rounded and the sum of the amounts recorded in respect of each consolidated entities may not correspond to the total.

Note 2: The results of consolidated entities are presented according to their own accounting policies, i.e. before consolidation adjustments.

Appendix 6.5

Results of Defined-Purpose Accounts

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Affaires municipales et Régions				
2000-2007 infrastructure program	60.1	60.1	-	0.1
	60.1	60.1	-	0.1
Agriculture, Pêcheries et Alimentation				
Financing of certain agriculture and fishing activities	5.5	5.5	-	-
Financing of agricultural risk management programs	145.9	145.9	-	-
Training, partnership and organization of special events	2.8	3.4	(0.6)	0.4
	154.2	154.7	(0.6)	0.4
Conseil exécutif				
Financing the Youth Action Strategy	-	32.4	(32.4)	7.4
Financing the Défi de l'entrepreneuriat jeunesse Strategy	-	1.5	(1.5)	(10.7)
Training, partnership and organization of special events	-	-	-	-
Regionalization of financial assistance decisions towards regional youth forums	-	2.0	(2.0)	-
	-	35.9	(35.9)	(3.2)
Culture et Communications				
Application of the policy of integration of the arts into architecture and the environment of buildings as well as government and public sites	0.5	1.2	(0.7)	-
Financing of autonomous service units - Centre de conservation du Québec	0.4	0.3	0.1	0.1
Training, partnership and organization of special events	1.1	1.1	-	-
	2.0	2.6	(0.7)	0.2
Développement durable, Environnement et Parcs				
Financing of autonomous service units - Centre d'expertise en analyse environnementale du Québec	1.8	2.5	(0.7)	(0.7)
Training, partnership and organization of special events	1.6	1.6	-	-
	3.4	4.1	(0.7)	(0.7)

Appendix 6.5

Results of Defined-Purpose Accounts

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Développement économique, Innovation et Exportation				
Training, partnership and organization of special events	0.3	0.3	-	6.9
	0.3	0.3	-	6.9
Éducation, Loisir et Sport				
Minority-language and second-language teaching	26.5	36.1	(9.6)	21.3
Financing of Millennium Scholarships	79.4	79.4	-	-
Training in federal penitentiaries	4.6	4.6	-	-
Training, partnership and organization of special events	0.8	0.9	(0.2)	(0.2)
Literacy program	2.5	2.5	-	-
	113.7	123.5	(9.8)	21.1
Emploi et Solidarité sociale				
Application of the Québec Parental Insurance Plan	-	-	-	-
Financing of pilot projects for elderly workers	0.5	0.5	-	0.4
Training, partnership and organization of special events	-	-	-	-
	0.5	0.5	-	0.4
Famille, Aînés et Condition féminine				
Training, partnership and organization of special events	-	-	-	-
	-	-	-	-
Justice				
Agreement respecting the Contraventions Act	0.6	0.5	0.1	0.1
Canada Investment Fund for the renewal of Legal Aid	-	-	-	-
Training, partnership and organization of special events	0.1	0.1	-	-
	0.6	0.5	0.1	0.1

Appendix 6.5

Results of Defined-Purpose Accounts

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Relations internationales				
Training, partnership and organization of special events	0.6	0.6	-	-
	0.6	0.6	-	-
Ressources naturelles et Faune				
Financing measures for protecting, securing, redeveloping and restoring mine sites	-	0.5	(0.5)	(0.5)
Training, partnership and organization of special events	1.5	1.7	(0.2)	0.1
Mining sector cooperation project with Bolivia	0.2	0.2	-	-
	1.7	2.4	(0.6)	(0.4)
Revenu				
Goods and services tax administration	128.2	128.2	-	-
	128.2	128.2	-	-
Santé et Services sociaux				
Financing of services to seniors with reduced mobility	30.0	30.0	-	-
Financing of the program to assist pathological gamblers	22.0	22.0	-	(0.7)
Training, partnership and organization of special events	0.5	2.2	(1.8)	0.2
	52.5	54.2	(1.8)	(0.6)
Sécurité publique				
Administration of the Firearms Act	5.0	5.0	-	-
Financing of autonomous service units - Laboratoire de sciences judiciaires et de médecine légale	3.2	3.2	-	-
Financing of the joint civil defence program	0.3	0.6	(0.2)	0.2
Financing of the program to assist pathological gamblers	3.0	3.1	(0.1)	-
Training, partnership and organization of special events	2.6	2.5	0.1	(0.5)
	14.2	14.4	(0.2)	(0.3)

Appendix 6.5

Results of Defined-Purpose Accounts

(in millions of dollars)

	2006-2007			2005-2006
	Revenues	Expenditures	Results	Results
Services gouvernementaux				
Training, partnership and organization of special events	-	-	-	0.1
	-	-	-	0.1
Transports				
Airport fixed-asset financing	4.1	4.1	-	-
2000-2007 infrastructure program	56.0	56.0	-	-
	60.2	60.2	-	-
Travail				
Financing of the Bureau d'évaluation médicale	2.7	2.7	-	-
	2.7	2.7	-	-
Total	**594.9**	**644.9**	**(50.0)**	**24.1**
Consolidation adjustments	(202.0)	(252.0)	50.0	(24.1)
Impact of consolidation	**392.9**	**392.9**	-	-

Note 1 : Figures are rounded and the sum of the amounts recorded in respect of each consolidated entities may not correspond to the total.

Note 2 : The results of consolidated entities are presented according to their own accounting policies, i.e. before consolidation adjustments.

Appendix 6.6

Government Corporations Accounted for at their Consolidation Value

Capital Financière agricole inc.

Corporation d'hébergement du Québec

Financement-Québec

Fonds d'indemnisation du courtage immobilier

Hydro-Québec*

Immobilière SHQ

IQ FIER inc.

IQ Immigrants Investisseurs Inc.

Loto-Québec

Société de développement de la Baie James (SDBJ)

Société de l'assurance automobile du Québec (excluding the automobile insurance mandate)*

Société des alcools du Québec

Société des établissements de plein air du Québec

Société générale de financement du Québec

Société Innovatech du Grand Montréal

Société Innovatech du sud du Québec

Société Innovatech Québec et Chaudière-Appalaches

Société Innovatech Régions ressources

* These corporations also perform fiduciary activities outside of the government reporting entity.

Appendix 6.7

Agencies and Funds Performing Activities not Included in the Government Reporting Entity

Caisse de dépôt et placement du Québec

Centraide Committee – Public Sector

Commission administrative des régimes de retraite et d'assurances

Commission de la construction du Québec

Conseil de gestion de l'assurance parentale

Public Curator (fiduciary portion)

Fonds central pour le bénéfice des personnes incarcérées

Crop Insurance Fund

Farm Income Stabilization Insurance Fund

Fonds d'assurance-garantie administered by the Régie des marchés agricoles et alimentaires du Québec

Fonds d'indemnisation des services financiers*

Fonds des cautionnements des agents de voyages

Fonds des pensions alimentaires (fiduciary portion)

Fonds du régime tripartite d'assurance revenu brut à l'égard des récoltes

Trust funds

Fonds national de formation de la main-d'oeuvre

Hydro-Québec – Pension Plan

Régie des rentes du Québec

* This Fund's personnel and operations are managed by the Autorité des marchés financiers.

APPENDIX

APPENDIX A

2006-2007 EXPENDITURE BUDGET - BREAKDOWN BY MISSIONS

IN BRIEF

- The government's total expenditures are broken down into six major government missions, namely: Health and Social Services, Education and Culture, Economy and Environment, Support for Individuals and Families, Administration and Justice, and Debt Payment.
- Three missions account for nearly three quarters of total expenditures:
  - The Health and Social Services mission, is 37.9% of total expenditures;
  - The Education and Culture mission, representing 23.1% of total expenditures;
  - The Debt Payment mission, which accounts for 12.4% of total expenditures.
- The three other missions represent a little more than a quarter of total expenditures.

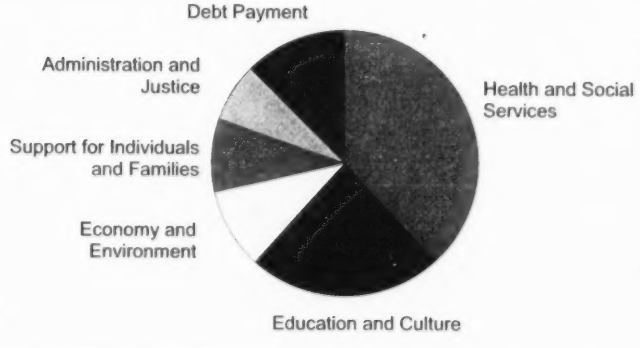
Expenditure Budget - Breakdown by Missions

The programs appearing in the 2006-2007 Expenditure Budget are broken down into six missions corresponding to the main functions of the government.

Although the budget structure of certain portofolios and programs has changed in fiscal year 2006-2007, the missions remain the same as in 2005-2006.

The data on the missions do not included expenditures relating to special funds nor those of government agencies whose budget is not voted by the National Assembly.

2006-2007 Expenditure Budget - Breakdown by Missions[1]



	%
Health and Social Services	37.9
Education and Culture	23.1
Economy and Environment	10.0
Support for individuals and Families	8.9
Administration and Justice	7.7
Debt Payment	12.4
Total	100.0

[1] Excluding anticipated lapsed appropriations and appropriations carried over in 2007-2008.

2006-2007 Expenditures by Portfolio and Mission

(in millions of dollars)

Portfolios	Missions						
	Health and Social Services	Education and Culture	Economy and Environment	Support for Individuals and Families	Administration and Justice	Debt Payment	Total
Affaires municipales et Régions	-	-	991.1	-	856.3	-	1,847.4
Agriculture, Pêcheries et Alimentation	-	-	673.2	-	-	-	673.2
National Assembly	-	-	-	-	100.3	-	100.3
Conseil du trésor et Administration gouvernementale	-	-	-	-	823.1	-	823.1
Conseil exécutif	-	-	-	-	265.0	-	265.0
Culture et Communications	-	579.5	-	-	-	-	579.5
Développement durable, Environnement et Parcs	-	-	189.6	-	-	-	189.6
Développement économique, Innovation et Exportation	-	-	618.5	-	-	-	618.5
Éducation, Loisir et Sport	-	12,797.9	-	-	-	-	12,797.9
Emploi et Solidarité sociale	-	-	795.3	3,238.0	-	-	4,033.3
Famille, Aînés et Condition féminine	-	-	-	1,733.3	-	-	1,733.3
Finances	-	-	-	-	159.6	7,205.0	7,364.6
Immigration et Communautés culturelles	-	105.0	-	-	0.7	-	105.8
Justice	-	-	-	208.9	422.0	-	630.9
Persons Appointed by the National Assembly	-	-	-	-	62.4	-	62.4
Relations internationales	-	-	99.0	-	-	-	99.0
Ressources naturelles et Faune	-	-	379.3	-	-	-	379.3
Revenu	-	-	-	-	798.1	-	798.1
Santé et Services sociaux	22,114.5	-	-	-	-	-	22,114.5
Sécurité publique	-	-	-	-	916.0	-	916.0
Services gouvernementaux	-	-	-	-	40.9	-	40.9
Tourisme	-	-	139.3	-	-	-	139.3
Transports	-	-	1,957.0	-	-	-	1,957.0
Travail	-	-	-	-	31.5	-	31.5
Anticipated Lapsed Appropriations	-	-	-	-	-	-	(150.0)*
Carry-over Appropriations in 2007-2008	-	-	-	-	-	-	(72.2)*
Total Missions	22,114.5	13,482.4	5,842.3	5,180.2	4,475.8	7,205.0	58,078.0

* Anticipated lapsed appropriations and carry-over appropriations in 2007-2008 are not broken down by mission since they will be allocated among the missions during the course of the year.

Note: Figures are rounded and the sum of the amounts recorded in respect of each portfolio may not correspond to the total.

Mission Health and Social Services, Expenditures by Portfolio and Program

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Santé et Services sociaux					
National Operations	**292.3**	293.3	292.5	257.9	238.3
Office des personnes handicapées du Québec	**11.7**	11.2	11.0	10.4	10.9
Régie de l'assurance maladie du Québec	**5,538.6**	5,304.8	5,304.8	5,235.9	4,876.8
Regional Operations	**16,271.9**	15,190.6	15,203.8	14,559.2	13,900.2
Total of this Mission	**22,114.5**	20,799.9	20,812.0	20,063.3	19,026.2

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Mission Education and Culture, Expenditures by Portfolio and Program

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Culture et Communications					
Charter of the French Language	**22.8**	22.7	21.8	22.0	22.4
Internal Management, National Institutions and Commission des biens culturels	**60.2**	60.6	59.7	59.1	64.7
Support for Culture, Communications and Government Corporations	**496.5**	451.7	452.7	443.3	424.5
Éducation, Loisir et Sport					
Administration and Consulting	**126.9**	131.2	128.2	124.8	126.2
Development of Recreation and Sport	**67.2**	67.1	66.8	66.6	66.7
Financial Assistance for Education	**375.2**	334.5	315.7	248.3	311.1
Higher Education	**3,984.6**	3,780.0	3,760.1	3,644.4	3,520.7
Pre-school, Primary and Secondary Education	**7,489.2**	7,203.5	7,153.4	7,014.5	6,872.7
Retirement Plans	**734.1**	694.9	694.9	653.6	659.1
Tourism and Hotel Industry Training	**20.6**	18.8	18.8	17.1	17.1
Immigration et Communautés culturelles					
Immigration, Integration and Cultural Communities	**105.0**	98.1	99.4	119.6	129.2
Total of this Mission	**13,482.4**	12,863.2	12,771.3	12,413.2	12,214.4

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Mission Economy and Environment, Expenditures by Portfolio and Program

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Affaires municipales et Régions					
Greater Montréal Promotion and Development	**70.4**	75.7	75.5	60.8	64.1
Housing	**337.9**	317.7	318.9	324.4	300.5
Upgrading Infrastructure and Urban Renewal	**582.8**	580.0	553.0	471.3	550.5
Agriculture, Pêcheries et Alimentation					
Bio-food Company Development, Training and Food Quality	**356.4**	334.4	339.5	343.4	344.1
Government Agencies	**316.8**	316.8	317.0	317.6	317.2
Développement durable, Environnement et Parcs					
Bureau d'audiences publiques sur l'environnement	**5.3**	5.4	5.6	5.6	6.0
Environmental Protection and Parks Management	**184.4**	182.2	183.6	202.5	217.4
Développement économique, Innovation et Exportation					
Department Administration	**37.6**	34.8	33.7	39.4	36.4
Economic Development and Assistance to Enterprises	**317.8**	312.5	321.5	266.5	262.7
Research, Science and Technology	**263.1**	222.7	222.6	237.8	234.8
Emploi et Solidarité sociale					
Employment Assistance Measures	**795.3**	792.6	792.4	795.9	815.8
Relations internationales					
International Affairs	**99.0**	99.5	99.4	102.2	111.0
Ressources naturelles et Faune					
Management of Natural Resources and Wildlife	**379.3**	387.4	407.8	363.2	417.8
Tourisme					
Promotion and Development of Tourism	**139.3**	138.3	158.6	144.3	145.8

Mission Economy and Environment, Expenditures by Portfolio and Program (cont'd.)
(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Transports					
Administration and Corporate Services	**88.8**	88.6	85.2	86.6	91.3
Promotion and Development of the Capitale-Nationale Region	**39.5**	29.2	37.4	40.1	36.7
Transportation Infrastructures	**1,414.0**	1,308.5	1,300.4	1,188.3	1,077.8
Transportation Systems	**414.8**	395.2	388.4	353.0	339.5
Total of this Mission	**5,842.3**	5,621.4	5,640.4	5,342.8	5,369.5

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Mission Support for Individuals and Families, Expenditures by Portfolio and Program
(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Emploi et Solidarité sociale					
Administration	**480.1**	504.2	498.8	528.3	557.3
Financial Assistance Measures	**2,757.9**	2,767.0	2,765.3	2,786.0	2,821.9
Famille, Aînés et Condition féminine					
Assistance Measures for Families	**1,663.3**	1,568.5	1,556.9	1,456.6	1,400.0
Condition of the elderly	**2.9**	2.8	2.8	2.0	1.1
Planning, Research and Administration	**24.5**	23.9	23.1	18.5	19.0
Public Curator	**35.8**	34.0	33.8	38.0	37.1
Status of Women	**6.8**	7.2	6.8	6.9	7.1
Justice					
Assistance to Persons Brought before the Courts	**208.9**	195.3	212.7	213.2	204.2
Total of this Mission	**5,180.2**	5,102.9	5,100.2	5,049.5	5,047.5

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Mission Administration and Justice, Expenditures by Portfolio and Program

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
National Assembly					
Secrétariat général adjoint aux affaires administratives	**32.7**	32.1	32.1	32.7	29.7
Secrétariat général, parliamentary affairs and institutional affairs	**21.1**	20.6	20.6	19.3	19.3
Select Committee	**0.3**	2.2	2.2	-	-
Statutory Support Services for Parliamentarians	**46.2**	45.1	45.1	43.8	47.8
Persons Appointed by the National Assembly					
Administration of the Electoral System	**25.3**	25.7	25.7	25.0	60.9
The Auditor General	**21.7**	20.2	20.2	19.4	19.1
The Lobbyists Commissioner	**2.6**	2.6	2.6	2.3	1.7
The Public Protector	**12.8**	11.7	11.5	11.3	11.0
Affaires municipales et Régions					
Commission municipale du Québec	**2.3**	2.3	2.5	3.2	3.5
Compensation in lieu of Taxes and Financial Assistance to Municipalities	**714.3**	674.2	683.6	640.8	506.5
General Administration	**56.1**	55.3	55.4	55.3	53.8
Régie du logement	**14.7**	14.3	14.5	16.0	16.1
Regional Development and Rurality	**69.0**	54.9	59.3	50.8	43.1
Conseil du trésor et Administration gouvernementale					
Commission de la fonction publique	**3.4**	3.4	3.3	3.0	2.7
Contingency Fund	**378.6**	356.2	-	-	-
Retirement and Insurance Plans	**323.3**	320.2	320.2	304.1	324.6
Secrétariat du Conseil du trésor	**117.8**	119.3	520.3 *	820.5 *	84.5
Conseil exécutif					
Canadian Intergovernmental Affairs	**12.0**	11.7	11.9	10.6	11.9
Lieutenant-Governor's Office	**0.9**	0.9	0.9	1.0	1.0
Native Affairs	**167.1**	165.6	145.4	148.0	109.6
Reform of Democratic Institutions and Access to Information	**5.7**	5.8	5.8	5.6	5.4
Support Services for the Premier and the Conseil exécutif	**70.2**	85.1	52.1	56.5	54.4
Youth	**9.3**	10.2	10.0	19.4	12.4

* Including an amount of $673.0 million in 2004-2005 for the Pay Equity Provision covering the period from November 21, 2001 to March 31, 2005 and $390.0 million in 2005-2006.

Mission Administration and Justice, Expenditures by Portfolio and Program (cont'd.)

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Développement économique, Innovation et Exportation					
Provision Concerning Financial Interventions Guaranteed by the Government	-	-	82.0	-	-
Finances					
Budget and Taxation Policy, Economic Analysis and Administration of Government Financial and Accounting Activities	**116.3**	136.3	55.8	54.6	47.8
Department Administration	**43.2**	43.2	40.5	41.1	41.1
Immigration et Communautés culturelles					
Organization Reporting to the Minister	**0.7**	0.7	0.7	0.7	0.7
Justice					
Administration of Justice	**268.2**	277.9	270.6	275.0	256.7
Administrative Justice	**10.2**	10.9	10.9	11.1	10.4
Criminal and Penal Prosecutions	**58.2**	45.6	45.7	53.5	47.8
Judicial Activity	**77.7**	76.3	75.8	71.7	70.0
Protection Organizations Reporting to the Minister	**7.7**	7.6	7.5	7.5	7.9
Revenu					
Enterprise Registrar	**14.8**	14.8	13.8	16.1	22.3
Tax Administration	**783.3**	879.8	882.7	912.4	722.3
Sécurité publique					
Agencies Reporting to the Minister	**25.9**	25.0	26.7	29.0	28.7
Security, Prevention and Internal Management	**419.4**	408.2	420.6	431.7	444.2
Sûreté du Québec	**470.7**	471.1	483.3	480.2	459.6
Services gouvernementaux					
Government Services	**40.9**	54.1	92.0	39.7	37.8
Travail					
Labour	**31.5**	61.3	62.0	73.7	65.2
Total of this Mission	**4,475.8**	4,552.6	4,616.0	4,786.5	3,681.5

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Mission Debt Payment, Expenditures by Portfolio and Program

(in millions of dollars)

Portfolios and Programs	Expenditure Budget 2006-2007	Expenditure Budget 2005-2006	Probable Expenditure 2005-2006	Expenditures 2004-2005	Expenditures 2003-2004
Finances					
Debt Service and Interest on the Retirement Plans Account	**7,205.0**	6,849.0	6,849.0	6,853.2	6,655.3
Total of this Mission	**7,205.0**	6,849.0	6,849.0	6,853.2	6,655.3
Anticipated Lapsed Appropriations	**(150.0)**				
Carry-over Appropriations in 2007-2008	**(72.2)**				
Mission Total	**58,078.0**	**55,789.0**	**55,789.0**	**54,508.5**	**51,994.4**

Note: Figures are rounded and the sum of the amounts recorded for each program may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

APPENDIX B

ECONOMIC AND BUDGETARY INDICATORS

IN BRIEF

- This appendix presents the evolution of the primary economic and budgetary indicators for Québec since the fiscal year 1992-1993, namely for a fifteen-year period. It consists of three tables, presenting:

  — The change in certain specific indicators for Québec;

  — The evolution of program spending, the debt service and total expenditures;

  — Expenditures by portfolio.

B.1

Change in Certain Specific Indicators for Québec

	Population[1]	GDP Growth rate[2]	Inflation rate in Canada[3]	Program spending		
					per capita	
	In thousands	%	%	as % of GDP	$	% variation
1992-1993	7,108	2.1	1.5	22.5	5,008	3.8
1993-1994	7,155	2.4	1.8	21.9	4,966	(0.7)
1994-1995	7,192	5.1	0.2	21.3	5,040	1.5
1995-1996	7,219	4.0	2.2	20.3	4,992	(1.0)
1996-1997	7,247	1.8	1.6	19.2	4,772	(4.4)
1997-1998	7,275	4.4	1.6	18.4	4,769	(0.1)
1998-1999	7,296	4.2	0.9	18.0[4]	5,078	6.5
1999-2000	7,323	7.4	1.7	18.0	5,168	1.8
2000-2001	7,357	6.7	2.7	17.9	5,459	5.6
2001-2002	7,397	3.0	2.6	18.1	5,663	3.7
2002-2003	7,446	4.5	2.2	18.1	5,891	4.0
2003-2004	7,494	4.3	2.8	18.0	6,050	2.7
2004-2005	7,548	5.0	1.9	17.7[5]	6,314	4.4
2005-2006 [F]	7,598	4.5	2.2	17.7	6,441	2.0
2006-2007 [F]	7,649	4.2	2.3	17.6	6,651	3.3

Sources : Secrétariat du Conseil du trésor for program spending data, Statistics Canada and Ministère des Finances for economic data.

[1] Population as at July 1 of the fiscal year considered.

[2] The GDP is calculated on a nominal basis, taking the annual average for the calendar year ending three months before the end of the fiscal year considered.

[3] For the calendar year ending three months before the end of the fiscal year considered.

[4] Rate corrected to exclude, on the one hand, the impact of the Canada-Québec Labour Market Agreement, which came into force in 1998-1999, for an amount of $595.6 million, and, on the other hand, the impact of extraordinary expenditures effected in 1998-1999 to implement the financial restructuring and consolidation plan for health and social services establishments, for an amount of $1,007.0 million, and to improve the financial position of the universities, for an amount of $170.0 million. With these amounts included, the rate would have been 18.9%.

[5] Rate adjusted in order to exclude an amount of $673.0 million concerning the Pay Equity Provision, covering the period from November 21, 2001 to March 31, 2005. With this amount included, the rate would have been 18.0%.

[F] Forecast

B.2

Evolution of Expenditures

	Program spending[1]		Debt service		Total expenditures[2]	
	$ million	% variation	$ million	% variation	$ million	% variation
1992-1993	35,599	4.4	4,756	1.9	40,355	4.1
1993-1994	35,534	(0.2)	5,316	11.8	40,850	1.2
1994-1995	36,248	2.0	5,882	10.6	42,130	3.1
1995-1996	36,039	(0.6)	6,034	2.6	42,073	(0.1)
1996-1997	34,583	(4.0)	5,855	(3.0)	40,438	(3.9)
1997-1998	34,690	0.3	6,765	15.5	41,455	2.5
1998-1999	37,052	1.7[3]	6,573	(2.8)	43,625	5.2
1999-2000	37,850	2.2	6,752	2.7	44,602	2.2
2000-2001	40,165	6.1	6,972	3.3	47,137	5.7
2001-2002	41,888	4.3	6,687	(4.1)	48,575	3.1
2002-2003	43,865	4.7	6,583	(1.5)	50,448	3.9
2003-2004	45,339	3.4	6,655	1.1	51,994	3.1
2004-2005	47,656	3.6[4]	6,853	3.0	54,509	4.8
2005-2006 [F]	48,940	2.7	6,849	(0.1)	55,789	2.3
2006-2007 [F]	50,873	3.9	7,205	5.2	58,078	4.1

[1] Program spending is presented according to the 2006-2007 budget structure.

[2] Total expenditures exclude consolidated agency.

[3] Rate corrected to exclude, on the one hand, the impact of the Canada-Québec Labour Market Agreement, which came into force in 1998-1999, for an amount of $595.6 million, and, on the other hand, the impact of extraordinary expenditures effected in 1998-1999 to implement the financial restructuring and consolidation plan for health and social services establishments, for an amount of $1,007.0 million, and to improve the financial position of the universities, for an amount of $170.0 million. The growth rate, taking these expenditures into account, would have been 6.8%.

[4] Rate adjusted in order to exclude an amount of $673.0 million concerning the Pay Equity Provision, covering the period from November 21, 2001 to March 31, 2005. If these expenditures were taken into account, the rate of growth would have been 5.1%.

[F] Forecast

B.3

Expenditures by Portfolio

(in millions of dollars)

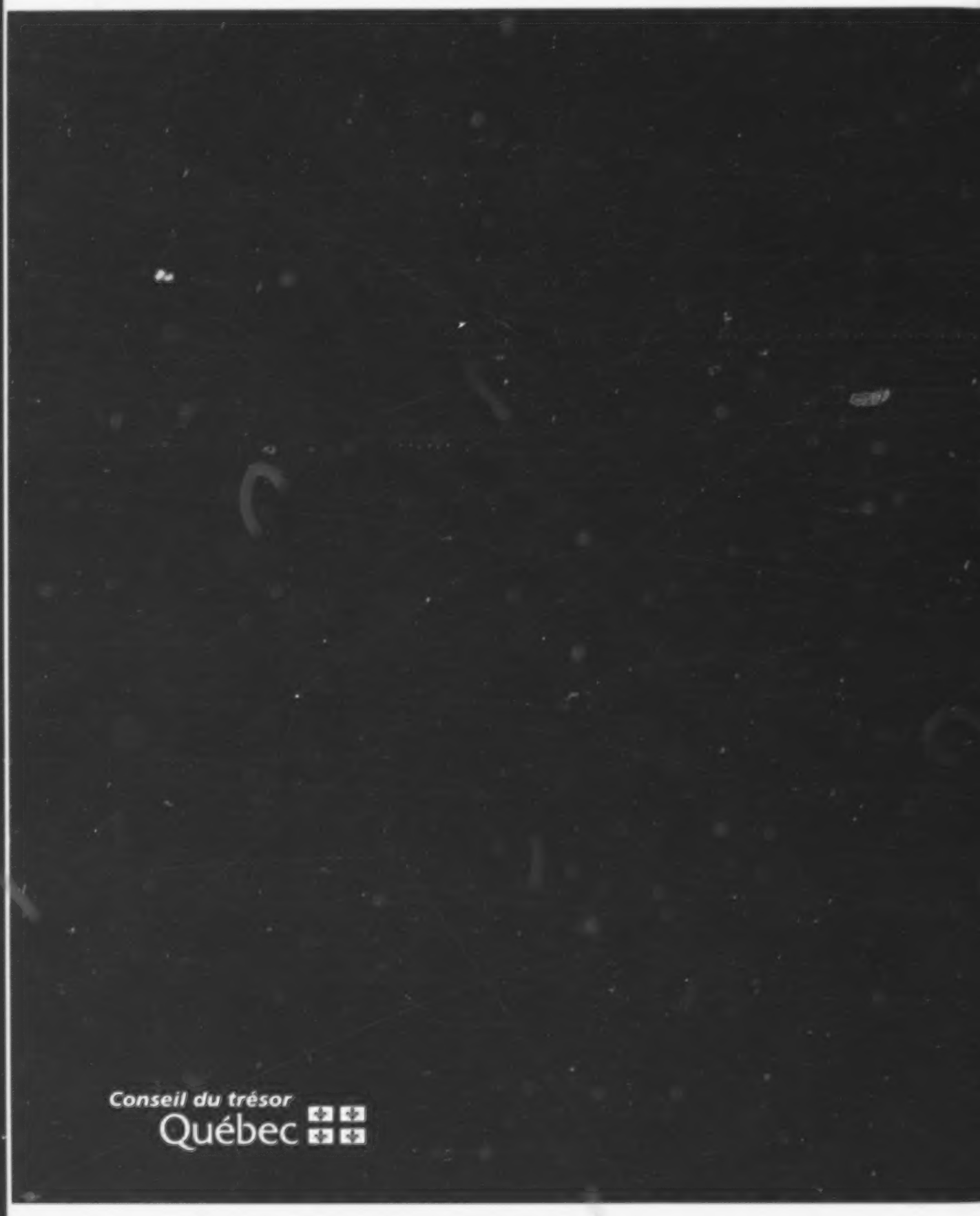
	Expenditure Budget	Probable Expenditure	Actual Expenditures		
	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Affaires municipales et Régions	1,847	1,763	1,623	1,538	1,560
Agriculture, Pêcheries et Alimentation	673	656	661	661	640
National Assembly	100	100	96	97	94
Conseil du trésor et Administration gouvernementale	823	844 *	1,128 *	412	499
Conseil exécutif	265	226	241	195	167
Culture et Communications	579	534	524	512	490
Développement durable, Environnement et Parcs	190	189	208	223	209
Développement économique, Innovation et Exportation	618	660	544	534	890
Éducation, Loisir et Sport	12,798	12,138	11,769	11,573	11,166
Emploi et Solidarité sociale	4,033	4,057	4,110	4,195	4,167
Famille, Aînés et Condition féminine	1,733	1,623	1,522	1,464	1,290
Finances	160	96	96	89	101
Immigration et Communautés culturelles	106	100	120	130	152
Justice	631	623	632	597	564
Persons Appointed by the National Assembly	62	60	58	93	67
Relations internationales	99	99	102	111	110
Ressources naturelles et Faune	379	408	363	418	434
Revenu	798	897	929	745	807
Santé et Services sociaux	22,115	20,812	20,063	19,026	17,872
Sécurité publique	916	931	941	932	868
Services gouvernementaux	41	92	40	38	42
Tourisme	139	159	144	146	143
Transports	1,957	1,811	1,668	1,545	1,465
Travail	32	62	74	65	68
Change in the Provision for Losses on Equity Investments	-	-	-	-	-
Anticipated Lapsed Appropriations	(150)				
Carry-over Appropriations in 2007-2008	(72)				
Program spending	**50,873**	**48,940**	**47,656**	**45,339**	**43,865**
Debt Service	7,205	6,849	6,853	6,655	6,583
Total Expenditures	**58,078**	**55,789**	**54,509**	**51,994**	**50,448**

* Including an amount of $673.0 million in 2004-2005 for the Pay Equity Provision covering the period from November 21, 2001 to March 31, 2005 and $390.0 million in 2005-2006.

Note: Figures are rounded and the sum of the amounts recorded in respect of each portfolio may not correspond to the total. Program spending is presented according to the 2006-2007 budget structure.

Actual Expenditures

2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993
1,585	1,357	1,111	1,008	1,179	1,239	1,413	1,408	1,290	1,259
650	713	513	530	498	584	642	640	656	659
91	82	77	77	69	82	88	88	83	85
456	424	352	406	581	580	501	526	509	568
121	104	217	78	74	76	89	89	76	74
478	528	482	510	409	409	418	427	442	447
208	213	237	178	184	179	187	191	196	204
857	907	773	746	558	514	628	676	538	657
10,614	10,186	9,879	9,619	9,489	10,081	10,499	10,492	10,200	10,413
4,079	4,099	4,058	4,143	3,763	3,931	4,002	3,992	3,874	3,614
1,144	920	706	581	483	425	421	389	351	331
93	91	67	61	128	58	61	66	68	73
132	104	102	107	96	98	103	102	108	111
531	488	478	505	473	485	474	514	522	523
52	43	42	95	37	43	100	86	38	84
111	103	98	87	77	83	100	94	100	104
434	454	548	462	371	420	452	490	529	563
639	741	742	865	1,103	652	533	514	583	584
17,147	16,057	14,788	14,562	12,892	12,833	13,011	13,047	12,920	12,675
796	741	697	700	662	693	716	716	711	740
35	36	48	32	40	42	26	22	21	24
109	147	148	106	85	81	78	84	74	93
1,441	1,550	1,608	1,524	1,373	940	1,468	1,557	1,538	1,619
85	77	79	70	66	66	68	72	67	77
-	-	-	-	-	(11)	(39)	(34)	40	18
41,888	**40,165**	**37,850**	**37,052**	**34,690**	**34,583**	**36,039**	**36,248**	**35,534**	**35,599**
6,687	6,972	6,752	6,573	6,765	5,855	6,034	5,882	5,316	4,756
48,575	**47,137**	**44,602**	**43,625**	**41,455**	**40,438**	**42,073**	**42,130**	**40,850**	**40,355**


Conseil du trésor
Québec